



Aetna to Acquire Prodigy Health Group

-- Nation's largest independent third party administrator of self-funded health care plans --

HARTFORD, Conn., Apr 28, 2011 (BUSINESS WIRE) --

Aetna (NYSE: AET) today announced that it has entered into an agreement to acquire Prodigy Health Group, the nation's largest independent third party administrator (TPA) of self-funded health care plans. Headquartered in New York City, Prodigy Health Group has approximately 600,000 medical members, approximately 450,000 pharmacy members, and operates in 15 states.

Aetna will acquire Prodigy Health Group from Prodigy Health Holdings, LLC, whose majority owner is One Equity Partners. The purchase price is approximately \$600 million. Aetna expects to finance the acquisition with available resources. The transaction is subject to customary closing conditions, including Hart-Scott-Rodino antitrust regulatory approval. The transaction is expected to close in the second half of 2011 and, as financed, is projected to be neutral to Aetna's financial results in 2011 and modestly accretive in 2012.

"The acquisition of Prodigy Health Group is in keeping with Aetna's strategy of diversifying its product offerings and adding new revenue streams," said Mark T. Bertolini, chairman, CEO and president.

"Prodigy extends Aetna's reach into the third-party administrator business while providing a separate option under the Prodigy brands that addresses affordability and quality for middle-sized and small businesses and customers who are primarily price-focused."

Joseph M. Zubretsky, senior executive vice president and CFO, added, "We believe that there are a number of positive synergies to be gained from our acquisition of Prodigy Health Group, including leveraging our provider networks and PBM capabilities to grow membership and enhance our ability to develop customized networks in accountable care models. The acquisition leverages many of Aetna's existing capabilities and is projected to have attractive returns."

Prodigy Health Group operates under three business names: Meritain Health for its TPA benefits business; American Health for its medical management business; and Scrip World for its pharmacy benefits management business. Following the close of the transaction, Prodigy Health Group will be a subsidiary of Aetna and will operate as a separate business. Prodigy Health Group will maintain its current management and operating structure and compete under its own brands.

About Aetna

Aetna is one of the nation's leading diversified health care benefits companies, serving approximately 33.8 million people with information and resources to help them make better informed decisions about their health care. Aetna offers a broad range of traditional, voluntary and consumer-directed health insurance products and related services, including medical, pharmacy, dental, behavioral health, group life and disability plans, and medical management capabilities and health care management services for Medicaid plans. Our customers include employer groups, individuals, college students, part-time and hourly workers, health plans, governmental units, government-sponsored plans, labor groups and expatriates. For more information, see www.aetna.com. To learn more about Aetna's innovative online tools, visit www.aetnatools.com.

CAUTIONARY STATEMENT - Certain information in this press release is forward-looking, including but not limited to, the projected timing of the closing of the transaction, the projected impact of the transaction on Aetna's 2011 and 2012 financial results, the potential synergies to be gained from the transaction and the projected returns from the transaction. 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 and Prodigy Health Group'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: the ability to successfully develop and integrate the business operations described herein in a timely and cost-efficient manner (including obtaining the required regulatory approvals on a timely basis to close the transaction); the ability to realize projected revenue; the ability to retain current customers of Prodigy Health Group and Prodigy Health Group's current provider networks and grow its customer and provider network base in the future; retention of key personnel of Prodigy Health Group; and adverse government regulation or review or enhanced government enforcement.

SOURCE: Aetna

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