

HUMANA INC  
Form DEFM14A  
August 28, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant ☒

Filed by a party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Under Rule 14a-12

**HUMANA INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing party:

(4) Date Filed:

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**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

August 28, 2015

Dear Aetna Inc. Shareholders and Humana Inc. Stockholders:

On behalf of the boards of directors of Aetna and Humana, we are pleased to enclose the joint proxy statement/prospectus relating to the merger of Humana with a wholly owned subsidiary of Aetna pursuant to the terms of a merger agreement entered into by Aetna and Humana on July 2, 2015.

**If the merger is completed, Humana stockholders will receive 0.8375 of an Aetna common share and \$125.00 in cash for each share of Humana common stock, as described in more detail in the accompanying joint proxy statement/prospectus under the heading The Merger Agreement Merger Consideration.** Based on the closing price of an Aetna common share on August 27, 2015, the most recent trading day prior to the date of the accompanying joint proxy statement/prospectus for which this information was available, the merger consideration represented approximately \$223.64 in value per share of Humana common stock. The value of the consideration to be received by Humana stockholders will fluctuate with changes in the price of the Aetna common shares. We urge you to obtain current market quotations for Aetna common shares and Humana common stock. Aetna common shares and shares of Humana common stock are traded on the New York Stock Exchange (NYSE) under the symbols AET and HUM , respectively.

In connection with the merger, Aetna shareholders are cordially invited to attend a special meeting of the shareholders of Aetna to be held on October 19, 2015 at the Hilton Garden Inn at 85 Glastonbury Blvd., Glastonbury, Connecticut 06033, at 1:30 p.m., Eastern Time, and Humana stockholders are cordially invited to attend a special meeting of the stockholders of Humana to be held on October 19, 2015 at the offices of Fried Frank, Harris, Shriver & Jacobson LLP on the 36<sup>th</sup> floor of 375 Park Avenue, New York, New York 10152 at 3:30 p.m., Eastern Time.

**Your vote is very important, regardless of the number of shares you own. We cannot complete the merger and the merger consideration will not be paid unless (i) Aetna shareholders approve the stock issuance and (ii) Humana stockholders adopt the merger agreement. Adoption of the merger agreement requires the affirmative vote of holders of at least three-fourths of the outstanding shares of Humana common stock entitled to vote thereon. Every vote counts.**

At the special meeting of the shareholders of Aetna, Aetna shareholders will be asked to vote on (i) a proposal to approve the issuance of Aetna common shares in the merger and (ii) a proposal to adjourn Aetna's special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the issuance of Aetna common shares.

**Aetna's board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of Aetna common shares in the merger, are advisable and fair to and in the best interests of Aetna shareholders and unanimously recommends that Aetna shareholders vote (i) FOR the approval of the issuance of Aetna common shares in the merger, and (ii) FOR the adjournment of Aetna's special meeting if necessary to solicit additional proxies if there are not**

**sufficient votes at the time of the special meeting to approve the issuance of Aetna common shares.**

At the special meeting of the stockholders of Humana, Humana stockholders will be asked to vote on (i) a proposal to adopt the merger agreement, (ii) a proposal to adjourn from time to time Humana's special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the special meeting, or any adjournment or postponement thereof, to adopt the merger agreement, and (iii) a proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

**Humana's board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana stockholders and unanimously recommends that Humana stockholders vote (i) FOR the adoption of the merger agreement, (ii) FOR the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes at the time of the special meeting, or any adjournment or postponement thereof, to adopt the merger agreement, and (iii) FOR the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.**

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We estimate that Aetna may issue up to approximately 127.0 million of its common shares to Humana stockholders in the merger. Based on the number of Aetna common shares outstanding as of August 25, 2015, and the number of shares of Humana common stock outstanding as of August 25, 2015, the most recent practicable date for which such information was available, immediately following completion of the merger, Aetna shareholders immediately prior to the merger are expected to own approximately 73% of Aetna's outstanding common shares and former Humana stockholders are expected to own approximately 27% of Aetna's outstanding common shares.

The accompanying joint proxy statement/prospectus provides important information regarding the Aetna and Humana special meetings and a detailed description of the merger agreement, the merger, the stock issuance, the adjournment proposals and non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. We urge you to read the accompanying joint proxy statement/prospectus (and any documents incorporated by reference into the accompanying joint proxy statement/prospectus) carefully. **Please pay particular attention to the section entitled Risk Factors beginning on page 61 of the accompanying joint proxy statement/prospectus.** You can also obtain information about Aetna and Humana from documents that Aetna and Humana previously have filed with the Securities and Exchange Commission.

For a discussion of the material U.S. federal income tax consequences of the mergers, see Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 149 of the accompanying joint proxy statement/prospectus.

Whether or not you expect to attend your company's special meeting, the details of which are described in the accompanying joint proxy statement/prospectus, please immediately submit your proxy by telephone, by the Internet or by completing, signing, dating and returning your signed proxy card(s) in the enclosed prepaid return envelope so that your shares may be represented at the applicable special meeting.

If Aetna shareholders have any questions or require assistance in voting their shares, they should call MacKenzie Partners, Inc., Aetna's proxy solicitors for its special meeting, toll-free at (800) 322-2885 or collect at (212) 929-5500. If Humana stockholders have any questions or require assistance in voting their shares, they should call D.F. King & Co., Inc., Humana's proxy solicitor for its special meeting, toll-free at (800) 676-7437 or collect at (212) 269-5550.

We hope to see you at the applicable special meeting and look forward to the successful completion of the merger.

Sincerely,

Mark T. Bertolini

Chairman and

Chief Executive Officer of

Sincerely,

Kurt J. Hilzinger

Chairman of the Board of Directors of

Humana Inc.

Aetna Inc.

Bruce D. Broussard

President and

Chief Executive Officer of

Humana Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying joint proxy statement/prospectus or determined that the accompanying joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The accompanying joint proxy statement/prospectus is dated August 28, 2015 and is first being mailed to stockholders on or about September 1, 2015.

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**ADDITIONAL INFORMATION**

The accompanying document is the proxy statement of Humana Inc. for its special meeting of stockholders, the proxy statement of Aetna Inc. for its special meeting of shareholders and the prospectus of Aetna Inc. for its common shares to be issued in the merger. The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Aetna Inc. and Humana Inc. from documents that are not included in or delivered with the accompanying joint proxy statement/prospectus. You can obtain these documents incorporated by reference into the accompanying joint proxy statement/prospectus (other than certain exhibits or schedules to these documents), without charge, by requesting them in writing or by telephone from Aetna Inc. or Humana Inc. at the following addresses and telephone numbers, or through the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov):

Aetna Inc.	Humana Inc.
151 Farmington Avenue	500 West Main Street
Hartford, CT 06156	Louisville, KY 40202
Attention: Investor Relations	Attention: Investor Relations
Telephone: (860) 273-2402	Telephone: (502) 580-3622

In addition, if you have questions about the merger or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact MacKenzie Partners, Inc., the proxy solicitor for Aetna Inc., toll-free at (800) 322-2885 or collect at (212) 929-5500, or D.F. King & Co., Inc., the proxy solicitor for Humana Inc., toll-free at (800) 676-7437 or collect at (212) 269-5550. You will not be charged for any of these documents that you request.

If you would like to request documents, please do so by October 13, 2015, in order to receive them before the Aetna Inc. or Humana Inc. special meeting.

See **Where You Can Find More Information** beginning on page 229 of the accompanying joint proxy statement/prospectus for further information.



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**Humana Inc.**

**500 West Main Street**

**Louisville, KY 40202**

**(502) 580-1000**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF  
HUMANA INC.**

**TO BE HELD ON OCTOBER 19, 2015**

**3:30 p.m., Eastern Time**

To the Stockholders of Humana Inc.:

A special meeting of stockholders of Humana Inc., a Delaware corporation, will be held on October 19, 2015 at the offices of Fried Frank, Harris, Shriver & Jacobson LLP on the 36<sup>th</sup> floor of 375 Park Avenue, New York, New York 10152 at 3:30 p.m., Eastern Time for the following purposes:

1. to consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of July 2, 2015, as it may be amended from time to time (which is referred to in this notice as the merger agreement), among Aetna Inc., a Pennsylvania corporation, Echo Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Aetna, Echo Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of Aetna, and Humana, pursuant to which Echo Merger Sub, Inc. will be merged with and into Humana, and Humana will continue as the surviving corporation and a wholly owned subsidiary of Aetna, and, immediately thereafter, Humana will be merged with and into Echo Merger Sub, LLC, and Echo Merger Sub, LLC will continue as the surviving company and a wholly owned subsidiary of Aetna (a copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus);
2. to consider and vote on a proposal to approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof; and
3. to consider and vote on a proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

The holders of record of Humana common stock, par value \$0.01 per share, at the close of business on September 16, 2015 are entitled to notice of and to vote at the Humana special meeting or any adjournment or postponement thereof. Humana is commencing its solicitation of proxies on or about September 1, 2015, which is before the September 16, 2015 record date. Humana will continue to solicit proxies until the date of the Humana special meeting. Each stockholder of record on September 16, 2015 who did not receive the accompanying joint proxy statement/prospectus

prior to the record date will receive a copy of the accompanying joint proxy statement/prospectus as soon as practicable after the record date and have the opportunity to vote on the matters described in the accompanying joint proxy statement/prospectus. Proxies delivered prior to the record date will be valid and effective so long as the stockholder providing the proxy is a stockholder on the record date. If you are not a holder of record on the record date, any proxy you deliver will be ineffective. If you deliver a proxy prior to the record date and remain a holder on the record date, you do not need to deliver another proxy after the record date. If you deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be deemed to cover the number of shares of Humana common stock you own on the record date even if that number is different from the number of shares of Humana common stock you owned when you executed and delivered your proxy. Proxies received from persons who are not holders of record on the record date will not be effective.

If you hold shares of Humana common stock in your name at the record date and plan to attend the Humana special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver's license or a passport) to gain admission to the Humana special meeting.

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If you are a beneficial owner of Humana common stock held in street name, meaning that your shares of Humana common stock are held by a broker, bank or other nominee holder of record at the record date and you plan to attend the Humana special meeting, in addition to proper identification, you will also need to provide proof of beneficial ownership at the record date to be admitted to the Humana special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your shares of Humana common stock held in street name in person at the Humana special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

**Adoption of the merger agreement requires the affirmative vote of holders of at least three-fourths of the outstanding shares of Humana common stock entitled to vote thereon. Adoption of the other proposals to be presented at the Humana special meeting requires the affirmative vote of holders of a majority of the votes cast affirmatively or negatively on such proposal. The Humana board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana stockholders and unanimously recommends that Humana stockholders vote FOR the adoption of the merger agreement, FOR the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof and FOR the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.**

By order of the Board of Directors,

Joan O. Lenahan

Vice President and Corporate Secretary

Louisville, Kentucky

August 28, 2015

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**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE HUMANA SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY COMPLETING, SIGNING AND DATING THE ENCLOSED HUMANA PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE HUMANA SPECIAL MEETING IN PERSON AND WISH TO VOTE YOUR SHARES AT THE HUMANA SPECIAL MEETING, YOU MAY DO SO AT ANY TIME PRIOR TO THE CLOSING OF THE POLLS AT THE HUMANA SPECIAL MEETING.** You may revoke your proxy or change your vote at any time before the Humana special meeting. If your shares are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger agreement, the merger, the vote on the merger agreement, the adjournment vote, the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger, the Humana special meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of Humana common stock, please contact:

**D.F. King & Co., Inc.**

48 Wall Street, 22nd Floor

New York, NY 10005

Telephone (Collect): (212) 269-5550

Telephone (Toll-Free): (800) 676-7437

Email: [webmaster@dfking.com](mailto:webmaster@dfking.com)

or

Humana Inc.

500 West Main Street

Louisville, KY 40202

Attention: Investor Relations

Telephone: (502) 580-3622

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**QUESTIONS AND ANSWERS ABOUT THE MERGERS AND THE SPECIAL MEETINGS**

*The following are some questions that you, as a shareholder of Aetna Inc., which is referred to in this joint proxy statement/prospectus as Aetna, or a stockholder of Humana Inc., which is referred to in this joint proxy statement/prospectus as Humana, may have regarding the mergers, the stock issuance, the adjournment proposals, the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger and the special meetings as well as brief answers to those questions. You are urged to read carefully this joint proxy statement/prospectus, including all documents incorporated by reference into this joint proxy statement/prospectus, and its annexes, in their entirety because this section may not provide all of the information that is important to you with respect to the mergers, the stock issuance, the adjournment proposals, the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger and the special meetings. Additional important information is contained in the annexes to, and the documents incorporated by reference into, this joint proxy statement/prospectus. See *Where You Can Find More Information* starting on page 229 of this joint proxy statement/prospectus.*

***Q: Why am I receiving this document and why am I being asked to vote on the merger agreement?***

**A:** Aetna and Humana have agreed to a merger, pursuant to which Humana will become a wholly owned subsidiary of Aetna and will no longer be a publicly held corporation in a transaction that is referred to in this joint proxy statement/prospectus as the merger. In order to complete the merger, Aetna shareholders must vote to approve the issuance of Aetna common shares to Humana stockholders in the merger, which issuance is referred to in this joint proxy statement/prospectus as the stock issuance, and Humana stockholders must vote to adopt the Agreement and Plan of Merger, dated as of July 2, 2015, among Aetna, Humana Echo Merger Sub, Inc., a wholly owned subsidiary of Aetna that is referred to in this joint proxy statement/prospectus as Merger Sub 1, and Echo Merger Sub, LLC, a wholly owned subsidiary of Aetna that is referred to in this joint proxy statement/prospectus as Merger Sub 2, and together with Merger Sub 1, Merger Subs. This merger agreement, as it may be amended from time to time, is referred to in this joint proxy statement/prospectus as the merger agreement.

Humana is holding a special meeting of stockholders, which is referred to in this joint proxy statement/prospectus as the Humana special meeting, in order to obtain the stockholder approval necessary to adopt the merger agreement.

**Adoption of the merger agreement requires the affirmative vote of holders of at least three-fourths of the outstanding shares of Humana common stock entitled to vote thereon.** Humana stockholders will also be asked to approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof, and to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers, who are referred to in this joint proxy statement/prospectus as the named executive officers, in connection with the merger. **It is important that Humana's stockholders vote their shares on each of these matters, regardless of the number of shares owned.**

Aetna is holding a special meeting of shareholders, which is referred to in this joint proxy statement/prospectus as the Aetna special meeting, in order to obtain the shareholder approval necessary to approve the stock issuance. Aetna shareholders will also be asked to approve the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting.

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This document is being delivered to you as both a joint proxy statement of Humana and Aetna and a prospectus of Aetna in connection with the merger. It is the proxy statement by which Humana's board of directors is soliciting proxies from Humana stockholders to vote at the Humana special meeting, or at any adjournment or postponement of the Humana special meeting, on the adoption of the merger agreement, the

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approval of the adjournment of the Humana special meeting under certain circumstances and the approval, on an advisory (non-binding) basis, of compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. It is also the proxy statement by which Aetna's board of directors is soliciting proxies from Aetna shareholders to vote at the Aetna special meeting, or at any adjournment or postponement of the Aetna special meeting, on the approval of the stock issuance and the approval of the adjournment of the Aetna special meeting under certain circumstances. In addition, this document is the prospectus of Aetna pursuant to which Aetna will issue Aetna common shares to Humana stockholders as part of the merger consideration.

***Q: Is my vote important?***

**A: Yes, your vote is very important.** For Humana stockholders, an abstention or failure to vote will have the same effect as a vote **AGAINST** the adoption of the merger agreement. If you hold your shares of Humana common stock through a broker, bank or other nominee holder of record and you do not give voting instructions to that broker, bank or other nominee holder of record, that broker, bank or other nominee holder of record will not be able to vote your shares on the adoption of the merger agreement, and your failure to give those instructions will have the same effect as a vote **AGAINST** the adoption of the merger agreement. Humana's board of directors unanimously recommends that you vote **FOR** the adoption of the merger agreement, and Aetna's board of directors unanimously recommends that Aetna shareholders vote **FOR** the approval of the stock issuance.

***Q: What will happen in the mergers?***

**A:** In the merger, Merger Sub 1 will be merged with and into Humana. Humana will be the surviving corporation in the merger and will be a wholly owned subsidiary of Aetna following completion of the merger and will no longer be a publicly held corporation. Immediately after the merger, Humana will be merged with and into Merger Sub 2. Merger Sub 2, which will be re-named **Humana LLC**, and will be the surviving company in the second merger, which is referred to in this joint proxy statement/prospectus as the subsequent merger, and together with the merger, the mergers. Humana LLC will be a wholly owned subsidiary of Aetna following completion of the subsequent merger.

***Q: What will Humana stockholders receive in the merger?***

**A:** If the merger is completed, each share of Humana common stock automatically will be cancelled and converted into the right to receive \$125.00 in cash, without interest, and 0.8375 of an Aetna common share, which, together with cash payable in lieu of any fractional shares as described below, are collectively referred to in this joint proxy statement/prospectus as the merger consideration. Each Humana stockholder will receive cash for any fractional Aetna common share that the stockholder would otherwise receive in the merger.

Based on the closing price of Aetna common shares on the New York Stock Exchange, which is referred to in this joint proxy statement/prospectus as the NYSE, on July 2, 2015, the last trading day before the public announcement of the merger agreement, the merger consideration represented approximately \$230.11 in value for each share of Humana common stock. Based on the closing price of Aetna common shares on the NYSE on August 27, 2015, the most recent trading day prior to the date of this joint proxy statement/prospectus for which this information was

available, the merger consideration represented approximately \$223.64 in value for each share of Humana common stock. **Because Aetna will issue a fixed fraction of an Aetna common share in exchange for each share of Humana common stock, the value of the stock portion of the merger consideration that Humana stockholders will receive in the merger will depend on the market price of Aetna common shares at the time the merger is completed. The market price of Aetna common shares when Humana stockholders receive those shares after the merger is completed could be greater than, less than or the same as the market price of Aetna common shares on the date of this joint proxy statement/prospectus or at the time of the Humana special meeting or any adjournment or postponement thereof.**

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***Q: What happens if the merger is not completed?***

A: If the merger agreement is not adopted by Humana stockholders, the stock issuance is not approved by Aetna shareholders or if the merger is not completed for any other reason, Humana stockholders will not receive any payment for their shares of Humana common stock in connection with the merger. Instead, Humana will remain an independent public company and its common stock will continue to be listed and traded on the NYSE. If the merger agreement is terminated under specified circumstances, Humana may be required to pay Aetna a termination fee of \$1.314 billion, and if the merger agreement is terminated under certain other circumstances, Aetna may be required to pay Humana a termination fee of \$1 billion or \$1.691 billion, depending on the circumstances of the termination. See *The Merger Agreement Termination Fees and Expenses* beginning on page 185 of this joint proxy statement/prospectus for a more detailed discussion of the termination fees.

***Q: What are Humana stockholders being asked to vote on?***

A: Humana stockholders are being asked to vote on the following three proposals:

to adopt the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus;

to approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof; and

to approve, on an advisory (non-binding) basis, the payments that will or may be paid by Humana to its named executive officers in connection with the merger.

The adoption of the merger agreement by Humana stockholders is a condition to the obligations of Humana and Aetna to complete the mergers. Neither the approval of the adjournment proposal nor the approval of the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger is a condition to the obligations of Humana or Aetna to complete the mergers.

***Q: What are Aetna shareholders being asked to vote on?***

A: Aetna shareholders are being asked to vote on the following proposals:

to approve the stock issuance; and

to approve the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting.

The approval of the stock issuance by Aetna shareholders is a condition to the obligations of Humana and Aetna to complete the mergers. The approval of the proposal to adjourn the Aetna special meeting if necessary is not a condition to the obligations of Humana or Aetna to complete the mergers.

***Q: Does Humana's board of directors recommend that Humana stockholders adopt the merger agreement?***

A: Yes. Humana's board of directors unanimously determined that the merger agreement, the merger, and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana stockholders and unanimously recommends that Humana stockholders vote **FOR** the adoption of the merger agreement at the Humana special meeting. See Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Humana's Reasons for the Mergers; Recommendation of the Humana Board of Directors that Humana Stockholders Adopt the Merger Agreement beginning on page 104 of this joint proxy statement/prospectus.

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***Q: Does Humana's board of directors recommend that stockholders approve the adjournment from time to time of the Humana special meeting if necessary?***

A: Yes. Humana's board of directors unanimously recommends that you vote **FOR** the proposal to adjourn from time to time the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof. See Humana Proposal II: Adjournment of the Humana Special Meeting beginning on page 197 of this joint proxy statement/prospectus.

***Q: What is compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger and why am I being asked to vote on it?***

A: The Securities and Exchange Commission, which is referred to in this joint proxy statement/prospectus as the SEC, has adopted rules that require Humana to seek an advisory (non-binding) vote on compensation that is tied to or based on the completion of the merger and that will or may be paid or provided by Humana to its named executive officers in connection with the merger. This proposal is referred to in this joint proxy statement/prospectus as the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

***Q: Does Humana's board of directors recommend that Humana stockholders approve the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger?***

A: Yes. The Humana board of directors unanimously recommends that Humana stockholders vote **FOR** the proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. See Humana Proposal III: Advisory Vote On Merger-Related Executive Compensation Arrangements beginning on page 198 of this joint proxy statement/prospectus.

***Q: What happens if the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger is not approved?***

A: Approval, on an advisory (non-binding basis), of compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger is not a condition to completion of the merger. The vote is an advisory vote and is not binding. If the merger is completed, Humana may pay compensation in connection with the merger to its named executive officers even if Humana stockholders fail to approve the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

***Q: Does Aetna's board of directors recommend that Aetna shareholders approve the stock issuance?***



A: Yes. Aetna's board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the stock issuance, are advisable and fair to and in the best interests of Aetna shareholders and unanimously recommends that Aetna shareholders vote **FOR** the approval of the stock issuance at the Aetna special meeting. See Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Aetna's Reasons for the Merger; Recommendation of the Aetna Board of Directors that the Aetna Shareholders Approve the Stock Issuance beginning on page 109 of this joint proxy statement/prospectus.

***Q: Does Aetna's board of directors recommend that Aetna shareholders approve the adjournment of the Aetna special meeting if necessary?***

A: Yes. Aetna's board of directors unanimously recommends that Aetna shareholders vote **FOR** the proposal to adjourn the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes

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to approve the stock issuance at the time of the Aetna special meeting. See Aetna Proposal II: Adjournment of the Aetna Special Meeting beginning on page 199 of this joint proxy statement/prospectus.

***Q: What Humana stockholder vote is required for the approval of each proposal?***

A: The following are the vote requirements for the proposals at the Humana special meeting:

*Adoption of the Merger Agreement:* The affirmative vote of holders of at least three-fourths of the outstanding shares of Humana common stock entitled to vote on the proposal. Accordingly, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or a Humana stockholder's other failure to vote will have the same effect as a vote **AGAINST** the proposal.

*Adjournment (if necessary):* Assuming a quorum is present, a majority of the votes cast affirmatively or negatively on the proposal. Accordingly, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or a Humana stockholder's other failure to vote will have no effect on the approval of the proposal.

*Approval of the Advisory Vote on Merger-Related Executive Compensation Arrangements:* A majority of the votes cast affirmatively or negatively on the proposal. Accordingly, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or a Humana stockholder's other failure to vote will have no effect on the approval of the proposal.

***Q: What Aetna shareholder vote is required for the approval of each proposal at the Aetna special meeting?***

A: The following are the vote requirements for the proposals at the Aetna special meeting:

*Stock Issuance:* Assuming a quorum is present, the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares. Under the current rules and interpretive guidance of the NYSE, votes cast on the stock issuance consist of votes for or against as well as abstentions. As a result, an Aetna shareholder's abstention from voting on the stock issuance will have the same effect as a vote **AGAINST** the approval of the proposal. The failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or an Aetna shareholder's other failure to vote will have no effect on the approval of the proposal because these failures to vote are not considered votes cast. However, these failures to vote will make it more difficult to meet the requirement under Pennsylvania law that the

holders of a majority of the outstanding Aetna common shares entitled to vote at the special meeting be present in person or represented by proxy to constitute a quorum at the Aetna special meeting.

*Adjournment (if necessary):* The affirmative vote of a majority of the votes cast at the Aetna special meeting by Aetna shareholders (whether or not a quorum, as defined under Pennsylvania law, is present). For purposes of the adjournment proposal, votes cast means votes for or against the proposal. As a result, an Aetna shareholder's abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other holder of record to give voting instructions to that broker, bank or other holder of record or an Aetna shareholder's other failure to vote will have no effect on the approval of the proposal.

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***Q: What constitutes a quorum for the Humana special meeting?***

A: The holders of record of a majority of the shares of Humana common stock issued and outstanding and entitled to vote being present in person or represented by proxy constitutes a quorum for the Humana special meeting. Abstentions will be deemed present at the Humana special meeting for the purpose of determining the presence of a quorum. Shares of Humana common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record will not be deemed present at the Humana special meeting for the purpose of determining the presence of a quorum.

***Q: What constitutes a quorum for the Aetna special meeting?***

A: A majority of the outstanding Aetna common shares entitled to vote being present in person or represented by proxy constitutes a quorum for the Aetna special meeting. Abstentions will be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. Aetna common shares held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record will not be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum.

Pursuant to Pennsylvania law, if the Aetna special meeting is adjourned for one or more periods aggregating at least 15 days due to the absence of a quorum, Aetna shareholders who are entitled to vote and who attend the adjourned meeting (including by proxy), even though they do not constitute a quorum as described in the preceding paragraph, will constitute a quorum for the purpose of acting on the proposal to approve the stock issuance.

***Q: Who is entitled to vote at the Humana special meeting?***

A: All holders of Humana common stock who held shares at the record date for the Humana special meeting (the close of business on September 16, 2015) are entitled to receive notice of, and to vote at, the Humana special meeting. As of the close of business on August 25, 2015, the most recent practicable date for which such information was available, there were 148,214,812 shares of Humana common stock outstanding. Each holder of Humana common stock is entitled to one vote for each share of Humana common stock owned at the record date. The number of shares of Humana common stock outstanding as of the record date is not expected to be meaningfully different from the number as of August 25, 2015.

***Q: Who is entitled to vote at the Aetna special meeting?***

A: All holders of Aetna common shares who held shares at the record date for the Aetna special meeting (the close of business on September 16, 2015) are entitled to receive notice of, and to vote at, the Aetna special meeting. As of the close of business on August 25, 2015, the most recent practicable date for which such information was available, there were 348,688,145 Aetna common shares outstanding. Each holder of Aetna common shares is entitled to one vote for each Aetna common share owned at the record date. The number of Aetna common shares outstanding as of the record date is not expected to be meaningfully different from the number as of August 25,

2015.

***Q: What if I hold shares in both Humana and Aetna?***

**A:** If you are both a Humana stockholder and an Aetna shareholder, you will receive separate packages of proxy materials from each company. A vote as a Humana stockholder for the adoption of the merger agreement (or any other proposal to be considered at the Humana special meeting) will not constitute a vote as an Aetna shareholder to approve the stock issuance (or any other proposal to be considered at the Aetna special meeting), and vice versa. **Therefore, please complete, sign and date and return all proxy cards and/or voting instructions that you receive from Humana or Aetna, or submit your proxy or instructions for each set of voting materials over the Internet or by telephone in order to ensure that all of your shares are voted.**

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***Q: When and where is the Humana special meeting?***

A: The Humana special meeting will be held on October 19, 2015, at the offices of Fried Frank, Harris, Shriver & Jacobson LLP on the 36<sup>th</sup> floor of 375 Park Avenue, New York, New York 10152 at 3:30 p.m., Eastern Time.

***Q: When and where is the Aetna special meeting?***

A: The Aetna special meeting will be held on October 19, 2015, at the Hilton Garden Inn, located at 85 Glastonbury Blvd., Glastonbury, Connecticut 06033, at 1:30 p.m., Eastern Time.

***Q: How do I vote my shares at the Humana special meeting?***

***A: Via the Internet or by Telephone***

If you hold shares of Humana common stock directly in your name as a stockholder of record, you may submit a proxy to vote via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by telephone by calling (800) 690-6903 toll-free. In order to submit a proxy via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each Humana stockholder to ensure all voting instructions are genuine and to prevent duplicate voting). Proxies may be submitted via the Internet or by telephone 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on October 18, 2015.

If you hold shares of Humana common stock in street name, meaning through a broker, bank or other nominee holder of record, you may submit voting instructions via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

***By Mail***

If you hold shares of Humana common stock directly in your name as a stockholder of record, you may submit a proxy card to vote your shares by mail. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge Financial Solutions, Inc., which is referred to in this joint proxy statement/prospectus as Broadridge, must receive your proxy card no later than the close of business on October 18, 2015.

If you hold shares of Humana common stock in street name, meaning through a broker, bank or other nominee holder of record, to vote by mail, you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record with these materials and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

***In Person***

If you hold shares of Humana common stock directly in your name as a stockholder of record, you may vote in person at the Humana special meeting. Stockholders of record also may be represented by another person at the Humana special meeting by executing a proper proxy designating that person and having that proper proxy be presented to the inspector of election with the applicable ballot at the Humana special meeting.

If you hold shares of Humana common stock in street name, meaning through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the inspector of election with your ballot to be able to vote in person at the Humana special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

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**Please carefully consider the information contained in this joint proxy statement/prospectus. Whether or not you plan to attend the Humana special meeting, Humana encourages you to submit a proxy to vote via the Internet, by telephone or by mail so that your shares will be voted in accordance with your wishes even if you later decide not to attend the Humana special meeting.**

Humana encourages you to submit your proxy to vote via the Internet, by telephone or by mail. If you attend the Humana special meeting, you may also vote in person, in which case any proxies that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by the vote that you cast at the Humana special meeting. To vote in person at the Humana special meeting, beneficial owners who hold shares in street name through a broker, bank or other nominee holder of record will need to contact the broker, bank or other nominee holder of record to obtain a written legal proxy to bring to the meeting. Whether your proxy is submitted via the Internet, by telephone or by mail, if it is properly completed and submitted, and if you do not revoke it prior to or at the Humana special meeting, your shares will be voted at the Humana special meeting in the manner specified by you, except as otherwise set forth in this joint proxy statement/prospectus.

**Again, you may submit a proxy to vote via the Internet or by telephone until 11:59 p.m. (Eastern Time) on October 18, 2015, or Humana's agent must receive your proxy card by mail no later than the close of business on October 18, 2015.**

***Q: If my shares of Humana common stock are held in street name, will my broker, bank or other nominee holder of record automatically vote my shares for me?***

**A:** No. If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold shares of Humana common stock in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, each of the three proposals to be considered at the Humana special meeting as described in this joint proxy statement/prospectus is considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on any of the three proposals.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the three proposals to be considered at the Humana special meeting as described in this joint proxy statement/prospectus, if a beneficial owner of shares of Humana common stock held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the special meeting. As a result, there will not be any broker non-votes in connection with any of the three proposals to be considered at the Humana special meeting as described in this joint proxy statement/prospectus.



***Q: How will my shares be represented at the Humana special meeting?***

A: If you correctly submit your proxy via the Internet, by telephone or by mail, the directors of Humana named in your proxy card will vote your shares in the manner you requested. If you sign your proxy card and return

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it without indicating how you would like to vote your shares, your proxy will be voted as Humana's board of directors unanimously recommends, which is:

**FOR** the adoption of the merger agreement;

**FOR** the approval of the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof; and

**FOR** the approval, on an advisory (non-binding) basis, of compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

However, if you indicate that you wish to vote against the adoption of the merger agreement, your shares will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal.

### ***Q: How do I vote my shares at the Aetna special meeting?***

#### ***A: Via the Internet or by Telephone***

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by telephone by calling (800) 690-6903 toll-free. In order to submit a proxy to vote via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each Aetna shareholder to ensure all voting instructions are genuine and to prevent duplicate voting). Votes may be submitted via the Internet or by telephone 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on October 18, 2015.

If you hold Aetna common shares in street name, meaning through a broker, bank or other nominee holder of record, you may vote via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

#### ***By Mail***

If you hold Aetna common shares directly in your name as a shareholder of record, you may submit a proxy card to vote your shares by mail. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge must receive your proxy card no later than the close of business on October 18, 2015.

If you hold Aetna common shares in street name, meaning through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail, you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record with these materials and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

*In Person*

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote in person at the Aetna special meeting. Shareholders of record also may be represented by another person at the Aetna special meeting by executing a proper proxy designating that person and having that proper proxy be presented to the judge of election with the applicable ballot at the Aetna special meeting.

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If you hold Aetna common shares in street name, meaning through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the judge of election with your ballot to be able to vote in person at the Aetna special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

**Please carefully consider the information contained in this joint proxy statement/prospectus. Whether or not you plan to attend the Aetna special meeting, Aetna encourages you to vote via the Internet, by telephone or by mail so that your shares will be voted in accordance with your wishes even if you later decide not to attend the Aetna special meeting.**

Aetna encourages you to register your vote via the Internet, by telephone or by mail. If you attend the Aetna special meeting, you may also vote in person, in which case any votes that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by the vote that you cast at the Aetna special meeting. To vote in person at the Aetna special meeting, beneficial owners who hold shares in street name through a broker, bank or other nominee holder of record will need to contact the broker, bank or other nominee holder of record to obtain a written legal proxy to bring to the meeting. Whether your proxy is submitted via the Internet, by phone or by mail, if it is properly completed and submitted, and if you do not revoke it prior to or at the Aetna special meeting, your shares will be voted at the Aetna special meeting in the manner specified by you, except as otherwise set forth in this joint proxy statement/prospectus.

**Again, you may vote via the Internet or by telephone until 11:59 p.m. (Eastern Time) on October 18, 2015, or Aetna's agent must receive your paper proxy card by mail no later than the close of business on October 18, 2015.**

***Q: If my Aetna common shares are held in street name, will my broker, bank or other nominee holder of record automatically vote my shares for me?***

**A:** No. If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold Aetna common shares in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, both proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus are considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on either proposal.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to either of the proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus, if a beneficial owner of Aetna common shares

held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the special meeting. As a result, there will not be any broker non-votes in connection with either of the proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus.

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***Q: How will my shares be represented at the Aetna special meeting?***

A: If you correctly submit your proxy via the Internet, by telephone or by mail, the persons named in your proxy card will vote your shares in the manner you requested. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as Aetna's board of directors unanimously recommends, which is:

**FOR** the stock issuance; and

**FOR** the approval of the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting. However, if you indicate that you wish to vote against the approval of the stock issuance, your shares will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal.

***Q: Who may attend the Humana special meeting?***

A: Humana stockholders at the record date for the Humana special meeting (the close of business on September 16, 2015), or their respective authorized representatives, may attend the Humana special meeting. If you hold shares of Humana common stock in your name at the record date, please be prepared to provide valid government-issued photo identification (e.g., a driver's license or a passport), to gain admission to the Humana special meeting. Humana is commencing its solicitation of proxies on or about September 1, 2015, which is before the September 16, 2015 record date. Humana will continue to solicit proxies until the date of the Humana special meeting. Each stockholder of record on September 16, 2015 who did not receive a joint proxy statement/prospectus prior to the record date will receive a joint proxy statement/prospectus as soon as practicable after the record date and have the opportunity to vote on the matters described in the joint proxy statement/prospectus. Proxies delivered prior to the record date will be valid and effective so long as the stockholder providing the proxy is a stockholder on the record date. If you are not a holder of record on the record date, any proxy you deliver will be ineffective. If you deliver a proxy prior to the record date and remain a holder on the record date, you do not need to deliver another proxy after the record date. If you deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be deemed to cover the number of shares of Humana common stock you own on the record date even if that number is different from the number of shares of Humana common stock you owned when you executed and delivered your proxy. Proxies received from persons who are not holders of record on the record date will not be effective.

If you are a beneficial owner of shares of Humana common stock held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on September 16, 2015), in addition to proper identification, you will also need proof of beneficial ownership at the record date to be admitted to the Humana special meeting. A brokerage statement or letter from a bank, broker or other nominee holder of record are examples of proof of beneficial ownership. If you want to vote your shares of Humana common stock held in street name in person at the Humana special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

Humana stockholders may contact Humana's Investor Relations Department at (502) 580-3622 to obtain directions to the location of the Humana special meeting.

***Q: Who may attend the Aetna special meeting?***

A: Aetna shareholders at the record date for the Aetna special meeting (the close of business on September 16, 2015), or their respective authorized representatives, may attend the Aetna special meeting. You may not appoint more than one person to act as your authorized representative at the Aetna special meeting. If you

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would like to attend the Aetna special meeting, because of security procedures, you will need to obtain an admission ticket issued in advance. You may apply for an admission ticket by mail to Office of the Corporate Secretary, 151 Farmington Avenue, RW61, Hartford, CT 06156 or by facsimile to (860) 293-1361. Ticket requests will not be accepted by phone or email. Aetna's Corporate Secretary must receive your request for an admission ticket on or before October 13, 2015. In addition to obtaining an admission ticket in advance, you will be required to provide valid government-issued photo identification (e.g., a driver's license or a passport) to be admitted to the Aetna special meeting.

Aetna is commencing its solicitation of proxies on or about September 1, 2015, which is before the September 16, 2015 record date. Aetna will continue to solicit proxies until the October 19, 2015 Aetna special meeting. Each shareholder of record on September 16, 2015 who has not yet received a joint proxy statement/prospectus prior to that date will receive a joint proxy statement/prospectus as soon as practicable after the record date and have the opportunity to vote on the matters described in the joint proxy statement/prospectus. Proxies delivered prior to the record date will be valid and effective so long as the shareholder providing the proxy is a shareholder on the record date. If you are not a holder of record on the record date, any proxy you deliver will be ineffective. If you deliver a proxy prior to the record date and remain a holder on the record date, you do not need to deliver another proxy after the record date. If you deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be deemed to cover the number of Aetna common shares you own on the record date even if that number is different from the number of Aetna common shares you owned when you executed and delivered your proxy. Proxies received from persons who are not holders of record on the record date will not be effective.

If you are a beneficial owner of Aetna common shares held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on September 16, 2015), in addition to following the security procedures described above, you will also need proof of beneficial ownership at the record date to obtain your admission ticket for the Aetna special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your Aetna common shares held in street name in person at the Aetna special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

Aetna shareholders may contact MacKenzie Partners, Inc. at (800) 322-2885 to obtain directions to the location of the Aetna special meeting.

### ***Q. Can I revoke my proxy or change my voting instructions?***

A: Yes. You may revoke your proxy or change your vote in person at any time before the closing of the polls at the applicable special meeting.

If you are a stockholder of record at the record date for the Humana or Aetna special meeting, as applicable (in each case, the close of business on September 16, 2015), you can revoke your proxy or change your vote by:

sending a signed notice stating that you revoke your proxy:

if you are a Humana stockholder, to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood NY 11717 or by fax at 1-515-254-7733; or



if you are an Aetna shareholder, to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood NY 11717 or by fax at 1-515-254-7733.  
in each case, that bears a date later than the date of the proxy you want to revoke and is received before 11:59 p.m. (Eastern Time) on October 18, 2015;

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submitting a valid, later-dated proxy via the Internet or by telephone before 11:59 p.m. (Eastern Time) on October 18, 2015, or by mail that is received before 11:59 p.m. (Eastern Time) on October 18, 2015; or

attending the applicable special meeting (or, if the applicable special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which automatically will cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not revoke any proxy previously given.

If you hold your shares in street name through a broker, bank or other nominee holder of record, you must contact your brokerage firm, bank or other nominee holder of record to change your vote or obtain a written legal proxy to vote your shares if you wish to cast your vote in person at the applicable special meeting.

***Q: What happens if I sell my shares of Humana common stock after the record date but before the Humana special meeting?***

A: The record date for the Humana special meeting (the close of business on September 16, 2015) is earlier than the date of the Humana special meeting and earlier than the date that the merger is expected to be completed. If you sell or otherwise transfer your shares of Humana common stock after the record date but before the date of the Humana special meeting, you will retain your right to vote at the Humana special meeting. However, you will not have the right to receive the merger consideration to be received by Humana stockholders in the merger. In order to receive the merger consideration, you must hold your shares through completion of the merger.

***Q: What happens if I sell my Aetna shares after the record date but before the Aetna special meeting?***

A: The record date for the Aetna special meeting (the close of business on September 16, 2015) is earlier than the date of the Aetna special meeting. If you sell or otherwise transfer your Aetna common shares after the record date but before the date of the Aetna special meeting, you will retain your right to vote at the Aetna special meeting.

***Q: What do I do if I receive more than one set of voting materials?***

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus, the related proxy card or the voting instruction forms. This can occur if you hold your shares in more than one brokerage account, if you hold shares directly as a record holder and also in street name, or otherwise through another nominee holder of record, and in certain other circumstances. In addition, if you are a holder of shares of both Humana common stock and Aetna common shares, you will receive one or more separate proxy cards or voting instruction cards for each company. If you receive more than one set of voting materials, please separately submit votes for each set of voting materials in order to ensure that all of your shares are voted.

***Q: Are Humana stockholders or Aetna shareholders entitled to appraisal rights?***

***A: Humana stockholders:*** Yes. Under Section 262 of the Delaware General Corporation Law, which is referred to in this joint proxy statement/prospectus as the DGCL, if the merger is completed, holders of Humana common stock who do not vote in favor of the adoption of the merger agreement and who otherwise comply with the procedures for exercising appraisal rights under Section 262 of the DGCL will be entitled, in lieu of receiving the merger consideration, to obtain payment in cash of the fair value of their shares of Humana common stock as determined by the Delaware Court of Chancery. Humana stockholders who wish to

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exercise appraisal rights must follow the procedures prescribed by Delaware law. These procedures are summarized in this joint proxy statement/prospectus. See Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Appraisal Rights for Humana Stockholders beginning on page 145 of this joint proxy statement/prospectus. In addition, a copy of Section 262 of the DGCL is included as Annex B to this joint proxy statement/prospectus. Failure to comply with the provisions of Section 262 of the DGCL will result in loss of appraisal rights and receipt of the merger consideration.

*Aetna shareholders:* No. Aetna shareholders will not be entitled to appraisal or dissenters' rights in connection with the mergers.

### ***Q: Is completion of the mergers subject to any conditions?***

A: Yes. Aetna and Humana are not required to complete the mergers unless a number of conditions are satisfied (or, to the extent permitted by applicable law, waived). These conditions include the adoption of the merger agreement by Humana stockholders, the approval of the stock issuance by Aetna shareholders, termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to in this joint proxy statement/prospectus as the HSR Act, and the receipt of certain other regulatory approvals. For a more complete summary of the conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to completion of the mergers, see The Merger Agreement Conditions to Completion of the Mergers beginning on page 161 of this joint proxy statement/prospectus.

### ***Q: When do you expect to complete the mergers?***

A: As of the date of this joint proxy statement/prospectus, Humana and Aetna expect to complete the mergers in the second half of 2016, subject to adoption of the merger agreement by Humana stockholders, the approval of the stock issuance by Aetna shareholders, early termination or expiration of the waiting period under the HSR Act, the receipt of certain other regulatory approvals and the satisfaction (or, to the extent permitted by applicable law, waiver) of the other conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to completion of the mergers. However, no assurance can be given as to when, or if, the mergers will be completed.

### ***Q: Is the transaction expected to be taxable to Humana stockholders?***

A: Aetna and Humana intend that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to in this joint proxy statement/prospectus as the Code, and that Aetna and Humana will each be a party to the reorganization, and it is a condition to the obligation of each of Aetna and Humana to complete the mergers that each shall have received an opinion from its tax counsel substantially to this effect. Accordingly, a U.S. person that is a beneficial owner of Humana common stock generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received and (ii) the excess of the sum of the amount of cash received and the fair market value of the Aetna common shares received over the U.S. person's adjusted tax basis in the shares of Humana common stock surrendered in the mergers.

Each Humana stockholder is urged to read the discussion in the section entitled Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences beginning on page 149 of this joint proxy statement/prospectus and to consult its tax advisor to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences to it of the mergers.

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***Q: What do I need to do now?***

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes. Then, please vote your shares of Humana common stock or Aetna common shares, as applicable, which you may do by:

completing, dating, signing and returning the enclosed proxy card for the applicable company in the accompanying postage-paid return envelope;

submitting your proxy via the Internet or by telephone by following the instructions included on your proxy card for such company; or

attending the applicable special meeting and voting by ballot in person.

If you hold shares in street name through a broker, bank or other nominee holder of record, please instruct your broker, bank or other nominee holder of record to vote your shares by following the instructions that the broker, bank or other nominee holder of record provides to you with these materials.

See How will my shares be represented at the Humana special meeting? beginning on page 8 of this joint proxy statement/prospectus and How will my shares be represented at the Aetna special meeting? beginning on page 11 of this joint proxy statement/prospectus.

***Q: Should I send in my Humana stock certificates now?***

A: No. Humana stockholders should not send in their stock certificates at this time. After completion of the mergers, Aetna's exchange agent will send you a letter of transmittal and instructions for exchanging your shares of Humana common stock for the merger consideration. The Aetna common shares you receive in the merger will be issued in book-entry form and physical certificates will not be issued. See The Merger Agreement Procedures for Surrendering Humana Stock Certificates beginning on page 159 of this joint proxy statement/prospectus. Aetna shareholders will keep their existing share certificates, if any, and will not be required to take any action with respect to their certificates.

***Q: As a holder of options issued by Humana to purchase Humana common stock, or a holder of Humana restricted stock units or performance share units, what will I receive in the merger?***

A: Each vested option to purchase shares of Humana common stock (including those stock options that vest by their terms as of the completion of the merger) that is outstanding as of completion of the merger will be cancelled and converted into the right to receive a cash amount equal to, for each share of Humana common stock underlying the Humana stock option: the excess, if any, of (i) the sum of (A) \$125.00 plus (B) the value equal to the product of the average of the volume weighted averages of the trading prices for Aetna common shares on the NYSE on

each of the five consecutive trading days ending on the trading day that is two trading days prior to completion of the merger, which average is referred to in this joint proxy statement/prospectus as the Aetna closing price, multiplied by the ratio of 0.8375 of an Aetna common share for each share of Humana common stock (which is referred to in this joint proxy statement/prospectus as the exchange ratio) (the sum of the amounts in clauses (A) and (B) is referred to in this joint proxy statement/prospectus as the equity award cash consideration) over (ii) the applicable per share exercise price of the Humana stock option. Each outstanding vested Humana stock option (including those stock options that vest by their terms as of the completion of the merger) with a per-share exercise price greater than or equal to the equity award cash consideration (as described under The Merger Agreement Treatment of Humana Equity Awards beginning on page 160 of this joint proxy statement/prospectus) will be cancelled for no consideration.

Each option to purchase shares of Humana common stock that is not vested as of the completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger

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agreement), at the completion of the merger, will be assumed by Aetna and will become an option to purchase Aetna common shares, as described under *The Merger Agreement Treatment of Humana Equity Awards* beginning on page 160 of this joint proxy statement/prospectus.

Immediately prior to the completion of the merger, each outstanding Humana restricted stock unit, which is referred to in this joint proxy statement/prospectus as a Humana RSU, and each Humana performance share unit, which is referred to in this joint proxy statement/prospectus as a Humana PSU, that provides for accelerated vesting upon the completion of the merger will vest and will be converted into the right to receive, with respect to each share of Humana common stock underlying the Humana RSU or Humana PSU, the merger consideration plus a cash amount equal to the accrued but unpaid dividend equivalent rights as of the completion of the merger relating to the Humana RSU or Humana PSU. Humana PSUs will be earned assuming the achievement of the maximum level of performance to the extent required by their terms.

Each Humana RSU or Humana PSU that is not converted into a right to receive the merger consideration and other amounts described above or is granted after the date of the merger agreement (to the extent permitted under the merger agreement) will be assumed by Aetna and will be converted into a restricted unit award that settles in, with respect to each share of Humana common stock underlying the Humana RSU or Humana PSU (with the performance of the Humana PSU to be determined based on the agreement relating to the Humana PSU), the merger consideration, plus an amount in cash equal to the accrued but unpaid dividend equivalent rights as of the completion of the merger relating to the Humana RSU or Humana PSU.

See *The Merger Agreement Treatment of Humana Equity Awards* beginning on page 160 of this joint proxy statement/prospectus.

***Q: How can I vote the Aetna common shares I hold through Aetna's 401(k) plan?***

A: Participants in the Aetna 401(k) plan who receive this joint proxy statement/prospectus in their capacity as participants in the Aetna 401(k) plan will receive voting instruction cards instead of proxy cards. The voting instruction card directs the trustee of the Aetna 401(k) plan to vote the shares shown on the card as indicated on the card. Aetna common shares held through the Aetna 401(k) plan may be voted by using the Internet, by calling a toll-free telephone number or by completing, signing and dating the voting instruction card and mailing it to the trustee of the Aetna 401(k) plan in accordance with the trustee's instructions. Aetna common shares held through the Aetna 401(k) plan for which no instructions are received will be voted by the trustee of the Aetna 401(k) plan in the same percentage as the Aetna common shares held through the Aetna 401(k) plan for which the trustee receives voting instructions. The trustee must receive your voting instructions by 11:59 p.m. (Eastern Time) on October 14, 2015.

Please note that you cannot vote the Aetna common shares you hold through the Aetna 401(k) plan in person at the Aetna special meeting.

***Q: How do I vote the share equivalent units held in the Humana Common Stock Fund of the Humana Retirement Savings Plan or the Humana Puerto Rico Retirement Savings Plan?***



A: If you have an interest in the Humana Common Stock Fund of the Humana Retirement Savings Plan or the Humana Puerto Rico Retirement Savings Plan as of the record date, you may vote such interests with respect to the proposals being submitted to Humana stockholders at the Humana special meeting. Under the Humana Retirement Savings Plan and the Humana Puerto Rico Retirement Savings Plan, your voting rights are based on your interest, or the amount of money you and Humana have invested in your Humana Common Stock Fund. You may exercise these voting rights in almost the same way that Humana stockholders may vote their shares of Humana common stock, but you have an earlier deadline. You may exercise these voting rights by

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providing your voting instructions to Broadridge by 11:59 p.m. (Eastern Time) on October 14, 2015. You must provide your voting instructions to Broadridge via the Internet, by telephone or by mail in accordance with the methods described above under **How do I vote my shares at the Humana special meeting?** .

Broadridge will aggregate the votes of all participants and provide voting information to the trustee for the applicable plan and will submit a proxy that reflects your instructions. If you do not give voting instructions (or give them late), the trustee will vote your interest in the Humana Common Stock Fund in the same proportion as the shares of Humana common stock attributed to the Humana Retirement Savings Plan, or the Humana Puerto Rico Retirement Savings Plan, as applicable, are actually voted by the other participants in the applicable plan.

Please note that you cannot vote your interests in the Humana Common Stock Fund in person at the Humana special meeting. Your voting instructions will be kept confidential under the terms of the Humana Retirement Savings Plan or the Humana Puerto Rico Retirement Savings Plan, as applicable.

***Q: If I am a Humana stockholder, whom should I call with questions?***

A: If you have any questions about the merger agreement, the mergers, the vote on the merger agreement, the adjournment vote, the advisory (non-binding) vote on compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger or the Humana special meeting, or this joint proxy statement/prospectus, desire additional copies of this joint proxy statement/prospectus, proxy cards or voting instruction forms or need help voting your shares of Humana common stock, you should contact:

**D.F. King & Co., Inc.**

48 Wall Street, 22nd Floor

New York, NY 10005

Telephone (Collect): (212) 269-5550

Telephone (Toll-Free): (800) 676-7437

Email: [webmaster@dfking.com](mailto:webmaster@dfking.com)

or

Humana Inc.

500 West Main Street

Louisville, KY 40202

Attention: Investor Relations

Telephone: (502) 580-3622



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***Q: If I am an Aetna shareholder, whom should I call with questions?***

**A:** If you have any questions about the merger agreement, the mergers, the stock issuance, the vote on the stock issuance, the adjournment vote or the Aetna special meeting or this joint proxy statement/prospectus, desire additional copies of this joint proxy statement/prospectus, proxy cards or voting instruction forms or need help voting your Aetna common shares, you should contact:

105 Madison Avenue

New York, NY 10016

Telephone (Toll-Free): (800) 322-2885

Telephone (Collect): (212) 929-5500

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

or

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

Attention: Investor Relations

Telephone: (860) 273-2402

Email: [investorrelations@aetna.com](mailto:investorrelations@aetna.com)

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**SUMMARY**

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. You are urged to read carefully the entire joint proxy statement/prospectus and the other documents attached to or referred to in this joint proxy statement/prospectus in order to fully understand the merger agreement and the proposed mergers. See *Where You Can Find More Information* beginning on page 229 of this joint proxy statement/prospectus. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

**The Companies (See Page 73)**

***Aetna Inc.***

Aetna was incorporated in the Commonwealth of Pennsylvania in 1982. Aetna, together with its subsidiaries, is one of the nation's leading diversified health care benefits companies, serving an estimated 46.7 million people as of June 30, 2015, with information and resources to help them in consultation with their health care professionals 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, medical management capabilities, Medicaid health care management services, Medicare Advantage and Medicare supplement plans, workers' compensation administrative services and health information technology products and services, such as Accountable Care Solutions. Aetna's customers include employer groups, individuals, college students, part-time and hourly workers, health plans, health care providers, governmental units, government-sponsored plans, labor groups and expatriates.

The principal trading market for Aetna common shares (NYSE: AET) is the NYSE. The principal executive offices of Aetna are located at 151 Farmington Avenue, Hartford, CT 06156; its telephone number is (860) 273-0123; and its website is [www.aetna.com](http://www.aetna.com). Information on Aetna's Internet website is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Aetna from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see *Where You Can Find More Information* beginning on page 229 of this joint proxy statement/prospectus.

***Humana Inc.***

Humana was incorporated in the State of Delaware in 1964. Headquartered in Louisville, Kentucky, Humana is a leading health and well-being company focused on making it easy for people to achieve their best health with clinical excellence through coordinated care. Humana's strategy integrates care delivery, the member experience, and clinical and consumer insights to encourage engagement, behavior change, proactive clinical outreach and wellness for the millions of people it serves across the country. As of June 30, 2015, Humana had approximately 14.2 million members in its medical benefit plans, including 2.7 million individual Medicare Advantage members, as well as approximately 7.4 million members in its specialty products. During 2014, 73% of Humana's total premiums and services revenue were derived from contracts with the federal government, including 15% derived from its individual Medicare Advantage contracts in Florida with the Centers for Medicare & Medicaid Services, which is referred to in this joint proxy statement/prospectus as CMS.

The principal trading market for Humana common stock (NYSE: HUM) is the NYSE. The principal executive offices of Humana are located at 500 West Main Street, Louisville, Kentucky 40202; its telephone

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number is (502) 580-1000; and its website is [www.humana.com](http://www.humana.com). Information on Humana's Internet website is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Humana from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see **Where You Can Find More Information** beginning on page 229 of this joint proxy statement/prospectus.

### ***Echo Merger Sub, Inc.***

Merger Sub 1 was incorporated in the State of Delaware on June 26, 2015, and is a wholly owned subsidiary of Aetna. Merger Sub 1 was formed solely for the purpose of completing the mergers. Merger Sub 1 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the mergers.

The principal executive offices of Merger Sub 1 are located at 151 Farmington Avenue, Hartford, CT 06156; and its telephone number is (860) 273-0123.

### ***Echo Merger Sub, LLC***

Merger Sub 2 was formed in the State of Delaware on June 26, 2015, and is a wholly owned subsidiary of Aetna. Merger Sub 2 was formed solely for the purpose of completing the subsequent merger. Merger Sub 2 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the mergers.

The principal executive offices of Merger Sub 2 are located at 151 Farmington Avenue, Hartford, CT 06156; and its telephone number is (860) 273-0123.

### **The Mergers (See Page 89)**

Aetna, Merger Subs and Humana have entered into the merger agreement. Subject to the terms and conditions of the merger agreement and in accordance with applicable law, in the merger, Merger Sub 1 will be merged with and into Humana, with Humana continuing as the surviving corporation and a wholly owned subsidiary of Aetna, and in the subsequent merger, Humana will be merged with and into Merger Sub 2, with Merger Sub 2, which will be re-named Humana LLC, continuing as the surviving company and a wholly owned subsidiary of Aetna. Upon completion of the merger, Humana's common stock will no longer be publicly traded.

A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. **You should read the merger agreement carefully because it is the legal document that governs the mergers.**

### **Special Meeting of Stockholders of Humana (See Page 82)**

**Meeting.** The Humana special meeting will be held on October 19, 2015, at the offices of Fried Frank, Harris, Shriver & Jacobson LLP on the 36<sup>th</sup> floor of 375 Park Avenue, New York, New York 10152, at 3:30 p.m., Eastern Time. At the Humana special meeting, Humana stockholders will be asked to consider and vote on the following proposals:

to adopt the merger agreement;

to approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any postponement or adjournment thereof; and



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to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

**Record Date.** Humana's board of directors has fixed the close of business on September 16, 2015, as the record date for determination of the stockholders entitled to vote at the Humana special meeting or any adjournment or postponement thereof. Only Humana stockholders of record at the record date are entitled to receive notice of, and to vote at, the Humana special meeting or any adjournment or postponement of the Humana special meeting. As of the close of business on August 25, 2015, the most recent practicable date for which such information was available, there were 148,214,812 shares of Humana common stock outstanding. Each holder of Humana common stock is entitled to one vote for each share of Humana common stock owned at the record date. The number of shares of Humana common stock outstanding as of the record date is not expected to be meaningfully different from the number as of August 25, 2015.

**Quorum.** The presence at the Humana special meeting, in person or by proxy, of the holders of record of a majority of the shares of Humana common stock issued and outstanding at the record date (the close of business on September 16, 2015) and entitled to vote will be necessary and sufficient to constitute a quorum at the Humana special meeting. Abstentions will be deemed present at the Humana special meeting for the purpose of determining the presence of a quorum. Shares of Humana common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record on any of the proposals to be voted on at the Humana special meeting, and shares of Humana common stock with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the Humana special meeting for the purpose of determining the presence of a quorum. There must be a quorum for business to be conducted at the Humana special meeting. Failure of a quorum to be present at the Humana special meeting will necessitate an adjournment or postponement thereof and will subject Humana to additional expense.

**Required Vote.** Pursuant to Humana's certificate of incorporation, which is referred to in this joint proxy statement/prospectus as Humana's charter, to adopt the merger agreement, the affirmative vote of holders of at least three-fourths of the shares of Humana common stock outstanding and entitled to vote thereon is required. Aetna may be deemed to be a related company of Humana under Article Eleventh of Humana's charter because one or more institutional stockholders of Humana who appear to beneficially own more than 5% of the outstanding shares of Humana common stock also appear to beneficially own 5% or more of the outstanding Aetna common shares.

**Humana cannot complete the merger and the merger consideration will not be paid unless its stockholders adopt the merger agreement by a vote FOR the proposal by holders of at least three-fourths of the outstanding shares of Humana common stock entitled to vote on the proposal. Because adoption of the merger agreement requires the affirmative vote of at least three-fourths of the outstanding shares of Humana common stock entitled to vote thereon, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or a Humana stockholder's other failure to vote will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.**

To approve (i) the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof (assuming a quorum is present) and (ii) the non-binding advisory proposal to approve compensation that will or may be paid by Humana to its named executive officers in connection with the merger, the affirmative vote of holders of a majority of the votes cast affirmatively or negatively on such proposal is required. Accordingly, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or a Humana stockholder's other failure to vote will have no effect on the outcome of any vote to adjourn



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the special meeting (assuming a quorum is present) or any vote to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

***Stock Ownership of and Voting by Humana Directors and Executive Officers.*** At the close of business on August 25, 2015, the most recent practicable date for which such information was available, Humana's directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate 351,175 shares of Humana common stock, which represents 0.24% of the shares of Humana common stock entitled to vote as of that date. The number of shares of Humana common stock which Humana's directors and executive officers and their affiliates will beneficially own as of the record date (the close of business on September 16, 2015) is not expected to be meaningfully different from the number as of August 25, 2015.

It is expected that Humana's directors and executive officers and their affiliates will vote their shares **FOR** the adoption of the merger agreement, **FOR** the proposal to adjourn from time to time the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof and **FOR** the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers, although none of them has entered into any agreement requiring them to do so.

**Special Meeting of Shareholders of Aetna (See Page 75)**

***Meeting.*** The Aetna special meeting will be held on October 19, 2015, at the Hilton Garden Inn, located at 85 Glastonbury Blvd., Glastonbury, Connecticut 06033, at 1:30 p.m., Eastern Time. At the Aetna special meeting, Aetna shareholders will be asked to consider and vote on the following proposals:

to approve the stock issuance; and

to approve the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting.

***Record Date.*** Aetna's board of directors has fixed the close of business on September 16, 2015, as the record date for determination of the shareholders entitled to vote at the Aetna special meeting or any adjournment or postponement thereof. Only Aetna shareholders of record at the record date are entitled to receive notice of, and to vote at, the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. As of the close of business on August 25, 2015, the most recent practicable date for which such information was available, there were 348,688,145 Aetna common shares outstanding. Each holder of Aetna common shares is entitled to one vote for each Aetna common share owned at the record date. The number of Aetna common shares outstanding as of the record date is not expected to be meaningfully different from the number as of August 25, 2015.

***Quorum.*** The presence at the Aetna special meeting, in person or by proxy, of the holders of a majority of the outstanding Aetna common shares at the record date (the close of business on September 16, 2015) will constitute a quorum. Abstentions will be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. Aetna common shares held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record, and Aetna common shares with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. There must be a quorum for the vote on the share issuance to be taken at the

Aetna special meeting. Failure of a quorum to be present at the Aetna special meeting will necessitate an adjournment of the meeting and will subject Aetna to additional expense. Pursuant to Pennsylvania law, if the Aetna special meeting is adjourned for one or more periods aggregating at least 15 days due to the absence of a quorum, Aetna shareholders who are entitled to vote

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and who attend (including by proxy) the adjourned meeting, even though they do not constitute a quorum as described above, will constitute a quorum for the purpose of acting on the stock issuance.

**Required Vote.** Assuming a quorum is present, to approve the stock issuance, the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares is required. **Aetna cannot complete the merger unless its shareholders approve the stock issuance.** Under the current rules and interpretive guidance of the NYSE, votes cast on the stock issuance consist of votes for or against as well as abstentions. As a result, an Aetna shareholder's abstention from voting on the stock issuance will have the same effect as a vote **AGAINST** the proposal. The failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or an Aetna shareholder's other failure to vote will have no effect on the outcome of any vote to approve the stock issuance because these failures to vote are not considered votes cast.

To approve the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting, whether or not a quorum, as defined under Pennsylvania law, is present, the affirmative vote of a majority of the votes cast at the Aetna special meeting by Aetna shareholders is required. For purposes of the adjournment proposal, votes cast means votes for or against the proposal. As a result, an Aetna shareholder's abstention from voting, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or an Aetna shareholder's other failure to vote will have no effect on the outcome of any vote to adjourn the Aetna special meeting.

**Share Ownership of and Voting by Aetna Directors and Executive Officers.** At the close of business on August 25, 2015, the most recent practicable date for which such information was available, Aetna's directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate 1,207,079 Aetna common shares, which represents 0.35% of the Aetna common shares entitled to vote as of that date. The number of Aetna common shares which Aetna's directors and executive officers and their affiliates will beneficially own as of the record date (the close of business on September 16, 2015) is not expected to be meaningfully different from the number as of August 25, 2015.

It is expected that Aetna's directors and executive officers and their affiliates will vote their shares **FOR** the stock issuance and **FOR** the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting, although none of them has entered into any agreement requiring them to do so.

## **What Humana Stockholders Will Receive in the Merger (See Page 158)**

If the merger is completed, Humana stockholders will be entitled to receive, in exchange for each share of Humana common stock that they own immediately prior to the merger, \$125.00 in cash, without interest, and 0.8375 of an Aetna common share, together with cash payable in lieu of any fractional shares as described below.

Aetna will not issue any fractional shares in the merger. Instead, the total number of Aetna common shares that each Humana stockholder will receive in the merger will be rounded down to the nearest whole number, and each Humana stockholder will receive cash, without interest, for any fractional Aetna common share that he or she would otherwise receive in the merger. The amount of cash for fractional shares will be calculated by multiplying the fraction of an Aetna common share that the Humana stockholder would otherwise be entitled to receive in the merger by the Aetna closing price.



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*Example: If you own 100 shares of Humana common stock at the time the merger is completed, you will be entitled to receive \$12,500.00 in cash, without interest, and 83 Aetna common shares. In addition, you will be entitled to receive an amount of cash equal to 0.75 of an Aetna common share multiplied by the Aetna closing price.*

The exchange ratio is fixed, which means that it will not change between now and the date of the merger, regardless of whether the market price of either Aetna common shares or Humana common stock changes. Therefore, the value of the stock portion of the merger consideration will depend on the market price of Aetna common shares at the time Humana stockholders receive Aetna common shares in the merger. Based on the closing price of an Aetna common share on the NYSE on July 2, 2015, the last trading day before the public announcement of the merger agreement, the merger consideration represented approximately \$230.11 in value for each share of Humana common stock. Based on the closing price of an Aetna common share on the NYSE on August 27, 2015, the most recent trading day prior to the date of this joint proxy statement/prospectus for which this information was available, the merger consideration represented approximately \$223.64 in value for each share of Humana common stock. **The market price of Aetna common shares has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the date of the Humana special meeting and the date the merger is completed and thereafter. The market price of Aetna common shares when received by Humana stockholders after the merger is completed could be greater than, less than or the same as the market price of Aetna common shares on the date of this joint proxy statement/prospectus or at the time of the Humana special meeting or any adjournment or postponement thereof.**

**Treatment of Humana Equity Awards (See Page 160)**

As of the completion of the merger, each vested option to purchase shares of Humana common stock, which are referred to in this joint proxy statement/prospectus as Humana stock options (including those Humana stock options that vest by their terms as of the completion of the merger), will be cancelled and converted into the right to receive a cash amount equal to, for each share of Humana common stock underlying the Humana stock option: the excess, if any, of (i) the equity award cash consideration over (ii) the applicable per share exercise price of the Humana stock option. Each outstanding vested Humana stock option (including those Humana stock options that vest by their terms as of the completion of the merger) with a per-share exercise price greater than or equal to the equity award cash consideration, will be cancelled for no consideration.

Each Humana stock option that is not vested as of the completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), at the completion of the merger, will be assumed by Aetna and will become an option to purchase Aetna common shares on the same terms and conditions, except that (i) the number of Aetna common shares subject to the assumed stock option will equal (A) the number of shares of Humana common stock that were subject to such Humana stock option immediately prior to the completion of the merger, multiplied by (B) the sum of (1) the exchange ratio, plus (2) the quotient of (x) \$125.00, divided by (y) the Aetna closing price (the sum of the amounts in clauses (1) and (2) is referred to in this joint proxy statement/prospectus as the equity award exchange ratio) and (ii) the per-share exercise price will equal the exercise price per share of the Humana stock option immediately prior to the completion of the merger, divided by the equity award exchange ratio.

Immediately prior to the completion of the merger, each outstanding Humana RSU and Humana PSU that provides for accelerated vesting upon the completion of the transactions contemplated by the merger agreement will vest and will be converted into the right to receive, with respect to each share of Humana common stock underlying the Humana RSU or Humana PSU, the merger consideration, plus a cash amount equal to the accrued but unpaid dividend equivalent rights as of the completion of the merger relating to such Humana RSU or Humana PSU. Humana PSUs will be earned assuming the achievement of the maximum level of performance to the extent required by their terms.





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Each Humana RSU or Humana PSU that is not converted into a right to receive the merger consideration and the other amounts referred to above, or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), will be assumed by Aetna and will be converted into a restricted unit award or performance-based unit award, as applicable, that settles in, with respect to each share of Humana common stock underlying the Humana RSU or Humana PSU (with the performance of the Humana PSU to be determined based on the agreement relating to the Humana PSU), the merger consideration, plus a cash amount equal to the accrued but unpaid dividend equivalent rights relating to the Humana RSU or Humana PSU.

### **Recommendations of the Humana Board of Directors (See Page 82)**

Humana's board of directors unanimously determined that the merger agreement, the merger, and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana stockholders. **Humana's board of directors unanimously recommends that Humana stockholders vote FOR the proposal to adopt of the merger agreement.** For the factors considered by Humana's board of directors in reaching this decision, see Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Humana's Reasons for the Mergers; Recommendation of the Humana Board of Directors that Humana Stockholders Adopt the Merger Agreement beginning on page 104 of this joint proxy statement/prospectus.

Humana's board of directors unanimously recommends that Humana stockholders vote **FOR** the proposal to adjourn from time to time the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof. See Humana Proposal II: Adjournment of the Humana Special Meeting beginning on page 197 of this joint proxy statement/prospectus.

In addition, Humana's board of directors unanimously recommends that Humana stockholders vote **FOR** the proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. See Humana Proposal III: Advisory Vote On Merger-Related Executive Compensation Arrangements beginning on page 198 of this joint proxy statement/prospectus.

### **Recommendations of the Aetna Board of Directors (See Page 75)**

Aetna's board of directors unanimously determined that the merger agreement, the merger, and the other transactions contemplated by the merger agreement, including the stock issuance, are advisable and fair to and in the best interests of Aetna shareholders. **Aetna's board of directors unanimously recommends that Aetna shareholders vote FOR the stock issuance.** For the factors considered by Aetna's board of directors in reaching this decision, see Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Aetna's Reasons for the Merger; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve the Stock Issuance beginning on page 109 of this joint proxy statement/prospectus.

Aetna's board of directors unanimously recommends that Aetna shareholders vote **FOR** the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting. See Aetna Proposal II: Adjournment of the Aetna Special Meeting beginning on page 199 of this joint proxy statement/prospectus.

### **Opinion of Humana's Financial Advisor (See Page 113)**

Goldman, Sachs & Co., which is referred to in this joint proxy statement/prospectus as Goldman Sachs, delivered its opinion to Humana's board of directors that, as of July 2, 2015, and based upon and subject to the factors and

assumptions set forth therein, the merger consideration to be paid to holders (other than Aetna and its

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affiliates) of shares of Humana's common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated July 2, 2015, which sets forth assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this joint proxy statement/prospectus. Goldman Sachs provided its opinion for the information and assistance of Humana's board of directors in connection with its consideration of the mergers. The Goldman Sachs opinion does not constitute a recommendation as to how any holder of Humana's common stock should vote with respect to the mergers or any other matter.

For further information, see the section of this joint proxy statement/prospectus entitled "Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance" Opinion of Humana's Financial Advisor beginning on page 113 of this joint proxy statement/prospectus and Annex C.

**Opinions of Aetna's Financial Advisors (See Page 120)**

***Opinion of Citigroup Global Markets Inc.***

On July 2, 2015, Citigroup Global Markets Inc., which is referred to in this joint proxy statement/prospectus as Citi, rendered its oral opinion to Aetna's board of directors, which was confirmed by delivery of a written opinion dated July 2, 2015, to the effect that, as of such date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, each as described in greater detail in the section titled "Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance" Opinions of Aetna's Financial Advisors "Opinion of Citigroup Global Markets Inc." beginning on page 120 of this joint proxy statement/prospectus, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to Aetna's board of directors in connection with its evaluation of the mergers and was limited to the fairness, from a financial point of view, as of the date of the opinion, to Aetna of the consideration to be paid by Aetna in the mergers. **Citi's opinion does not address any other aspects or implications of the mergers and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the mergers. The summary of Citi's opinion is qualified in its entirety by reference to the full text of the opinion. We encourage you to read the full text of Citi's written opinion, which is attached to this joint proxy statement/prospectus as Annex D and sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the scope of review undertaken.**

***Opinion of Lazard Frères & Co. LLC***

On July 2, 2015, Lazard Frères & Co. LLC, which is referred to in this joint proxy statement/prospectus as Lazard, rendered its oral opinion to Aetna's board of directors, subsequently confirmed in writing, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna.

The full text of Lazard's written opinion, dated July 2, 2015, which sets forth, among other things, the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken by Lazard in connection with its opinion is attached to this joint proxy statement/prospectus as Annex E and is incorporated into this joint proxy statement/prospectus by reference. We encourage you to read Lazard's opinion, and the section titled "Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock

Issuance Opinions of Aetna's Financial Advisors Opinion of Lazard Frères & Co. LLC beginning on page 129 of this joint proxy statement/prospectus, carefully and in their entirety.

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**Lazard's opinion was directed to and for the benefit of Aetna's board of directors (in their capacity as such) for the information and assistance of the Aetna board of directors in connection with its evaluation of the mergers and only addressed the fairness, from a financial point of view, to Aetna of the merger consideration to be paid by Aetna in the merger as of the date of Lazard's opinion. Lazard's opinion did not address any other aspect of the mergers and was not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any matter relating thereto.**

**Ownership of Aetna Common Shares After the Mergers (See Page 89)**

Based on the number of shares of Humana common stock (including the number of shares underlying Humana RSUs and PSUs) outstanding as of August 25, 2015, the most recent practicable date for which such information was available, and the treatment of Humana shares, RSUs and PSUs in the merger, Aetna expects to issue approximately 127.0 million Aetna common shares to Humana stockholders upon completion of the merger and reserve for issuance additional Aetna common shares in connection with the assumption, exercise and settlement of Humana options, RSUs and PSUs that are not vested as of the completion of the merger or that are granted after the date of the merger agreement (to the extent permitted by the merger agreement). The actual number of Aetna common shares to be issued and reserved for issuance upon completion of the merger will be determined at completion of the merger based on the exchange ratio and the number of shares of Humana common stock (including the number of shares underlying Humana RSUs and PSUs) outstanding at that time. Based on the number of shares of Humana common stock (including the number of shares underlying Humana options, Humana RSUs and PSUs) outstanding as of August 25, 2015, and the number of Aetna common shares outstanding as of August 25, 2015, the most recent practicable date for which such information was available, it is expected that, immediately after completion of the mergers, former Humana stockholders will own approximately 27% of the outstanding Aetna common shares.

**Governance Following Completion of the Mergers (See Page 161)**

Following completion of the mergers, Aetna will maintain the corporate headquarters of the combined company's Medicare, Medicaid and TRICARE businesses in Louisville, Kentucky, and Humana LLC will maintain a significant corporate presence in Louisville, Kentucky.

As of completion of the mergers, the size of the board of directors of Aetna will be expanded to include four members of the board of directors of Humana who are independent with respect to Aetna and jointly designated by Humana and Aetna. As of the date of this joint proxy statement/prospectus, Aetna and Humana have not made a determination as to which four members of the board of directors of Humana will be designated to Aetna's board of directors. Mark T. Bertolini will continue to serve as Chairman and Chief Executive Officer of Aetna following the completion of the mergers. See "The Merger Agreement Governance Following Completion of the Mergers" beginning on page 161 for further information.

**Interests of Humana's Directors and Executive Officers in the Merger (See Page 188)**

In considering the recommendation of Humana's board of directors to adopt the merger agreement, Humana stockholders should be aware that Humana's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Humana stockholders generally. Humana's board of directors was aware of these interests and considered them, among other matters, in evaluating and negotiating the merger agreement, in reaching its decision to approve the merger agreement and in recommending to Humana stockholders that the merger agreement be adopted.



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These interests include the following:

Pursuant to the terms of the merger agreement and the outstanding equity awards held by Humana's executive officers, all equity awards currently held by Humana's executive officers will immediately vest upon the completion of the merger (other than equity awards held by Bruce D. Broussard, President and Chief Executive Officer of Humana, whose employment agreement provides for the vesting of outstanding equity awards only upon an involuntary termination of employment or a resignation for good reason in connection with a change in control), with stock options being cancelled in exchange for the equity award cash consideration and Humana RSUs and Humana PSUs being converted into the right to receive the merger consideration (with the Humana PSUs held by the executive officers other than Mr. Broussard being earned assuming the achievement of the maximum level of performance and the Humana PSUs held by Mr. Broussard being earned assuming achievement of target level of performance). Assuming a closing date for the merger of June 30, 2016 and a price per share of Humana common stock of \$220.93, which is calculated based on a price of an Aetna common share of \$114.54, which is the average closing price of an Aetna common share over the five business day period following the first public announcement of the mergers, the aggregate value of the vesting of the outstanding equity awards held by all thirteen Humana executive officers on the assumed closing date (assuming a qualifying termination of Mr. Broussard's employment) is estimated to be \$19,843,261 for Humana stock options, \$18,784,355 for Humana RSUs and \$56,558,772 for Humana PSUs;

Each Humana executive officer has previously entered into an agreement with Humana that provides for severance benefits upon an involuntary termination of employment or a resignation for good reason in connection with the completion of the merger. Pursuant to the terms of these agreements, the severance benefits range from one to two times the sum of the applicable executive officer's (i) base salary and (ii) target bonus opportunity and such agreements provide for continued participation in all life, health, dental, accidental death and dismemberment and disability insurances until the second anniversary of the date of termination or, if earlier, the effective date of the executive officer's coverage under equivalent benefits from a new employer. Assuming a qualifying termination of all of Humana's executive officers immediately upon the completion of the merger, the aggregate value of the severance benefits to be paid or provided (including benefits continuation) to Humana's thirteen executive officers is estimated to be \$24,960,457;

Each Humana executive officer is entitled to a prorated annual bonus upon an involuntary termination of employment or a resignation with good reason in connection with a change in control, with the amount of the prorated bonus to be based on actual performance (other than Mr. Broussard, whose employment agreement provides for the prorated bonus to be based on target achievement). Assuming a qualifying termination of Humana's executive officers immediately upon the completion of the merger, with performance deemed at target level and a closing date of June 30, 2016, the aggregate value of prorated bonuses to be paid to Humana's thirteen executive officers is estimated to be \$3,964,900;

Humana's grant agreements for equity awards granted to executive officers contain a twelve month post-employment non-compete provision that, following a change in control, only becomes effective if the acquirer or any successor to Humana pays an amount at least equal to the executive officer's then current

annual base salary plus his or her maximum bonus (with such decision to be at the discretion of the acquirer or any successor to Humana). Assuming that Aetna determines to enforce the non-compete and make the payments to each of Humana's executive officers (other than Mr. Broussard who is already subject to a post-employment non-compete provision under his employment agreement), the aggregate value of all non-compete payments to be paid to such Humana executive officers is estimated to be \$15,557,350; and



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Humana's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement.

These interests are described in further detail, including more information on the assumptions used in calculating the estimated amounts set forth above, under Interests of Humana's Directors and Executive Officers in the Merger and The Merger Agreement Indemnification and Insurance beginning on pages 188 and 180, respectively, of this joint proxy statement/prospectus.

**Listing of Aetna Common Shares and Delisting and Deregistration of Humana Common Stock (See Page 152)**

Aetna will apply to have the Aetna common shares to be issued in the merger approved for listing on the NYSE, where Aetna common shares are currently traded. If the merger is completed, shares of Humana common stock will no longer be listed on the NYSE and will be deregistered under the Securities Exchange Act of 1934, as amended, which is referred to in this joint proxy statement/prospectus as the Exchange Act.

**Appraisal Rights Available to Humana Stockholders (See Page 145)**

Under Section 262 of the DGCL, if the merger is completed, holders of Humana common stock who do not vote in favor of the adoption of the merger agreement and who otherwise properly comply with the procedures for exercising appraisal rights under Section 262 of the DGCL will be entitled, in lieu of receiving the merger consideration, to obtain payment in cash of the fair value of their shares of Humana common stock as determined by the Delaware Court of Chancery. The judicially determined fair value could be more than, the same as, or less than the value of the merger consideration. Section 262 of the DGCL is included as Annex B to this joint proxy statement/prospectus. Holders of shares of Humana common stock are encouraged to read Section 262 of the DGCL carefully and in its entirety. Moreover, due to the complexity of the procedures for exercising appraisal rights, Humana stockholders who are considering exercising appraisal rights are encouraged to seek the advice of legal counsel. Failure to comply properly with the provisions of Section 262 of the DGCL will result in loss of appraisal rights and receipt of the merger consideration.

**Appraisal or Dissenters' Rights Not Available to Aetna Shareholders (See Page 149)**

Under Pennsylvania law, Aetna shareholders will not be entitled to appraisal or dissenters' rights in connection with the mergers.

**Completion of the Mergers Is Subject to Certain Conditions (See Page 161)**

As more fully described in this joint proxy statement/prospectus and in the merger agreement, the obligation of each of Aetna and Merger Subs, on the one hand, and Humana, on the other hand, to complete the mergers is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of a number of conditions, including the following:

adoption of the merger agreement by holders of at least three-fourths of the outstanding shares of Humana common stock;

approval of the stock issuance by the affirmative vote of the holders of a majority of the votes cast at the Aetna special meeting;

absence of any applicable law (including any order) being in effect in the U.S. or any of its territories that prohibits completion of either of the mergers;

effectiveness of, and absence of any stop order with respect to, the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, relating to the stock issuance;

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approval for the listing on the NYSE of the Aetna common shares to be issued in the merger;

accuracy of the representations and warranties made in the merger agreement by the other party, subject to certain materiality thresholds;

performance in all material respects by the other party of the covenants and agreements required to be performed by it at or prior to completion of the merger;

the absence of a material adverse effect on the other party (see The Merger Agreement Definition of Material Adverse Effect beginning on page 165 of this joint proxy statement/prospectus for the definition of material adverse effect); and

receipt by each party of an opinion of counsel substantially to the effect that for U.S. federal income tax purposes (i) the mergers, taken together, will be treated as a reorganization within the meaning of Section 368(a) of the Code and (ii) Humana and Aetna will each be a party to the reorganization within the meaning of Section 368(b) of the Code.

In addition, Aetna's obligations to complete the mergers are subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of certain additional conditions, including the following:

expiration or early termination of the waiting period relating to the merger under the HSR Act without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on Aetna or Humana (see The Merger Agreement Reasonable Best Efforts Covenant beginning on page 175 of this joint proxy statement/prospectus for the definition of regulatory material adverse effect);

certain actions by or in respect of, and filings with, certain governmental authorities, which are referred to in this joint proxy statement/prospectus as the required governmental authorizations, having been made or obtained without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on Aetna or Humana;

(A) CMS not having imposed any sanction involving suspension of marketing, enrollment and/or payment (other than civil monetary penalties that do not involve the suspension of payment) under any Medicare Advantage contract or Medicare Part D contract to which Humana is a party, (B) CMS not having terminated any Medicare Advantage contract or Medicare Part D contract to which Humana is a party and (C) Humana not having suspended enrollment or marketing under any Medicare Advantage contract or Medicare Part D contract to which Humana is a party, in each case which sanctions, terminations or suspensions, individually or in the aggregate, are, or would reasonably be expected to be, material and adverse to Humana (see The Merger Agreement Conditions to Completion of the Mergers Additional Conditions to Completion for the Benefit of Aetna and Merger Subs beginning on page 162 of this joint proxy statement/prospectus for more detail about these additional conditions).

In addition, the obligation of Humana to complete the mergers is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of certain additional conditions, including (i) expiration or early termination of the waiting period relating to the merger under the HSR Act and (ii) the required governmental authorizations having been made or obtained.

Aetna and Humana cannot be certain when, or if, the conditions to the mergers will be satisfied or waived, or that the mergers will be completed.

**The Mergers May Not Be Completed Without All Required Regulatory Approvals (See Page 144)**

Completion of the mergers is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act and the required governmental authorizations having been made or

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obtained and being in full force and effect, and in the case of Aetna, without the imposition of any term or condition that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on Aetna or Humana.

Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the Federal Trade Commission, which is referred to in this joint proxy statement/prospectus as the FTC, and the Antitrust Division of the U.S. Department of Justice, which is referred to in this joint proxy statement/prospectus as the DOJ. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filings of their respective HSR Act notification forms or the early termination of that waiting period. If the DOJ or the FTC issues a Request for Additional Information and Documentary Material prior to the expiration of the initial waiting period, the parties must observe a second 30-calendar-day waiting period, which would begin to run only after both parties have substantially complied with the request for additional information, unless the waiting period is terminated earlier. Each of Aetna and Humana filed its required HSR Act notification and report with respect to the mergers on July 16, 2015. On August 19, 2015, Aetna re-filed its premerger notification under the HSR Act with the DOJ and FTC, which initiated a new waiting period that will expire on September 18, 2015, unless it is extended by a request for additional information or terminated earlier.

Pursuant to federal healthcare laws and regulations and the insurance laws and regulations and, in some instances, the healthcare laws and regulations of certain states, and pursuant to certain licenses and contracts of certain of Humana's subsidiaries, applicable federal and state regulatory authorities must approve, or be notified of, Aetna's acquisition of control of Humana's health maintenance organizations, insurance companies, pharmacy businesses and other regulated businesses or entities. To obtain these approvals and provide such notices, Aetna, or the applicable Aetna subsidiary, and in some instances Humana, or the applicable Humana regulated entity, as the case may be, has filed or will file acquisition of control and material modification or similar statements, notices or applications, as required by federal healthcare law or regulation and the insurance and healthcare laws and regulations of each applicable state or the Humana regulated entities' licenses and contracts.

Neither Aetna nor Humana is aware of any material governmental approvals or actions that are required for completion of the mergers other than those described above. It is presently contemplated that if any such additional material governmental approvals or actions are required, those approvals or actions will be sought.

Aetna and Humana have agreed to use their respective reasonable best efforts to obtain all regulatory approvals required to complete the mergers, which reasonable best efforts include contesting any proceeding brought by a governmental authority seeking to prohibit completion of the mergers or seeking damages or to impose any terms or conditions in connection with the mergers. In using its reasonable best efforts, under the terms of the merger agreement, Aetna is required to take all actions and do all things necessary, proper or advisable to complete the mergers in connection with (i) the expiration or early termination of the waiting period relating to the merger under the HSR Act, (ii) any other antitrust law or (iii) the required governmental authorizations, except that Aetna is not required to take any action or agree to any term or condition in connection with those matters if that action, term or condition would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on Aetna or on Humana. In addition, in connection with obtaining the regulatory approvals required to complete the mergers, (x) neither Aetna nor Humana is required to take any action or agree to any term or condition that is not conditioned upon completion of the mergers and (y) Humana is not permitted to take any action or agree to any term or condition without Aetna's consent.



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**Description of Debt Financing (See Page 153)**

The mergers are not subject to a financing condition. On July 30, 2015, Aetna entered into a 364-day senior unsecured bridge credit agreement, which is referred to in this joint proxy statement/prospectus as the bridge credit agreement, with a group of fifteen lenders, who are collectively referred to in this joint proxy statement/prospectus as the bridge lenders, to finance up to \$13.0 billion of the cash consideration and fees and expenses payable by Aetna in connection with the mergers to the extent that Aetna has not received \$13.0 billion of net cash proceeds from the issuance of Aetna's senior notes or from certain other transactions at or prior to completion of the mergers. The bridge lenders' obligation to fund the bridge loan is subject to several conditions as set forth in the bridge credit agreement, including, among others, completion of the mergers, the non-occurrence of a material adverse effect on Humana, the accuracy of certain representations and warranties related to both Aetna and Humana, the absence of certain defaults by Aetna, Aetna's satisfaction of a maximum ratio of consolidated total indebtedness to adjusted consolidated capitalization, Aetna's and Humana's delivery of certain financial statements, the termination of Humana's existing credit agreement dated as of July 9, 2013, which is referred to in this joint proxy statement/prospectus as Humana's existing credit agreement, Aetna having used commercially reasonable efforts to cause the Aetna senior notes to be issued and other conditions to completion.

On July 30, 2015, Aetna entered into a senior unsecured three year term loan credit agreement, which is referred to in this joint proxy statement/prospectus as the term loan agreement, with a group of seventeen lenders, who are collectively referred to in this joint proxy statement/prospectus as the term lenders, to finance up to \$3.2 billion of the cash consideration and fees and expenses payable by Aetna in connection with the mergers. The term lenders' obligation to fund the term loan is subject to several conditions as set forth in the term loan agreement, including, among others, completion of the mergers, the non-occurrence of a material adverse effect on Humana, the accuracy of certain representations and warranties related to both Aetna and Humana, the absence of certain defaults by Aetna, Aetna's satisfaction of a maximum ratio of consolidated total indebtedness to adjusted consolidated capitalization, Aetna's and Humana's delivery of certain financial statements, the termination of Humana's existing credit agreement and other conditions to completion.

On July 30, 2015, Aetna and its current group of nineteen lenders entered into the third amendment to Aetna's existing five-year revolving credit agreement to permit Aetna to increase the commitments available under that agreement from \$2.0 billion to \$3.0 billion upon Aetna's request. In this joint proxy statement/prospectus, Aetna's existing revolving credit agreement is referred to as the revolving credit agreement, and the lenders under the revolving credit agreement are referred to as the revolving lenders. Aetna expects to upsize its commercial paper program to \$3.0 billion and use its commercial paper program, which is supported by the revolving credit agreement, to finance a portion of the cash consideration and fees and expenses payable by Aetna in connection with the mergers. Aetna also may use the revolving credit agreement to finance a portion of the cash consideration and fees and expenses payable by Aetna in connection with the mergers. The revolving lenders' obligation to increase their commitments under the revolving credit agreement to \$3.0 billion is subject to several conditions as set forth in the third amendment to the revolving credit agreement, including, among others, completion of the mergers, the termination of Humana's existing credit agreement and other conditions to completion.

For a more complete description of Aetna's debt financing for the merger, see Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Description of Debt Financing beginning on page 153 of this joint proxy statement/prospectus.

**Aetna and Humana Expect the Mergers to be Completed in the Second Half of 2016 (See Page 158)**

The mergers will occur three business days after the conditions to their completion have been satisfied or, to the extent permitted by applicable law, waived, unless otherwise mutually agreed by the parties. As of the date of this joint proxy statement/prospectus, Aetna and Humana expect the mergers to be completed in the second half of 2016. However, there can be no assurance as to when, or if, the mergers will occur.



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**No Solicitation by Humana or Aetna (See Page 172)**

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the exceptions described below and in the merger agreement, each of Humana and Aetna has agreed not to, among other things, (i) solicit, initiate or take any action to knowingly facilitate or knowingly encourage the submission of any acquisition proposal from any third party, (ii) enter into or participate in any discussions or negotiations with any third party that such party knows is seeking to make, or has made, an acquisition proposal, (iii) fail to make or withdraw or qualify, amend or modify in any manner adverse to the other party the recommendation of such party's board of directors that its stockholders adopt the merger agreement, in the case of Humana, or its shareholders approve the stock issuance, in the case of Aetna, or (iv) fail to enforce or grant any waiver or release under any standstill or similar agreement.

However, at any time prior to the adoption of the merger agreement by Humana stockholders, in the case of Humana, or the approval of the stock issuance by Aetna shareholders, in the case of Aetna, subject to the terms and conditions described in the merger agreement, each of Humana or Aetna, as applicable, is permitted to:

engage in negotiations or discussions with any third party that has made after the date of the merger agreement a superior proposal or an acquisition proposal that is reasonably likely to lead to a superior proposal;

following receipt of a superior proposal after the date of the merger agreement, withdraw or modify in a manner adverse to the other party the recommendation of such party's board of directors that its stockholders adopt the merger agreement, in the case of Humana, or its shareholders approve the stock issuance, in the case of Aetna; and

withdraw or modify in a manner adverse to the other party the recommendation of such party's board of directors that Humana stockholders adopt the merger agreement, in the case of Humana, or its shareholders approve the stock issuance, in the case of Aetna, in response to certain events (other than receipt of a superior proposal).

Humana or Aetna, as applicable, is only permitted to take the actions described above if its board of directors determines that the failure to take that action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law. In addition, Humana's board of directors is not permitted to withdraw or modify its recommendation that Humana stockholders adopt the merger agreement, and Aetna's board of directors is not permitted to withdraw or modify its recommendation that Aetna shareholders approve the stock issuance, unless, before taking that action, the applicable party notifies the other party that it intends to take that action and, if requested by the other party, negotiates in good faith with the other party for certain periods of time regarding any proposal by the other party to amend the terms of the merger agreement.

**Termination of the Merger Agreement (See Page 183)**

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions set forth in the merger agreement, the merger agreement may be terminated at any time before completion of the mergers in any of the following ways:

by mutual written consent of Aetna and Humana; or

by either Aetna or Humana, if:

the mergers have not been completed on or before June 30, 2016, which is referred to in this joint proxy statement/prospectus as the initial end date, unless all conditions to completion have been satisfied on the initial end date other than the regulatory approvals condition or the CMS sanctions condition (in each case, as defined under The Merger Agreement Conditions to Completion of the Mergers ), and either Aetna or Humana elects to extend the initial end date to December 31,

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2016, which together with the initial end date is referred to in this joint proxy statement/prospectus as the end date, in which case the merger agreement may be terminated by either Aetna or Humana if the mergers have not been completed on or before December 31, 2016;

there is in effect any applicable law or final and non-appealable order of any governmental authority in the U.S. or any of its territories that prohibits completion of the mergers;

Humana stockholders fail to adopt the merger agreement upon a vote taken on a proposal to adopt the merger agreement at the Humana special meeting;

Aetna shareholders fail to approve the stock issuance upon a vote taken on a proposal to approve the stock issuance at the Aetna special meeting; or

there has been a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the other party that would cause the other party to fail to satisfy the applicable condition to completion of the mergers related to accuracy of representations and warranties or performance of covenants and agreements, and that breach or failure to perform either is incapable of being cured by the end date or has not been cured within 45 days following notice from the non-breaching party of such breach or failure to perform; or

by Aetna, if:

Humana's board of directors withdraws or modifies in a manner adverse to Aetna its recommendation that Humana stockholders adopt the merger agreement or fails to publicly confirm that recommendation within seven business days after a request to do so from Aetna;

Humana has breached in any material respect any of its obligations described under "The Merger Agreement - No Solicitation" beginning on page 172 of this joint proxy statement/prospectus or its obligation to call and hold a meeting of its stockholders for purposes of adopting the merger agreement described under "The Merger Agreement - Obligations to Call Stockholders' and Shareholders' Meetings" beginning on page 170 of this joint proxy statement/prospectus; or

any material CMS sanction (as defined under "The Merger Agreement - Conditions to Completion of the Mergers") has been imposed or otherwise occurred, the impact (or the reasonably expected impact) of which (i) is incapable of being cured or abated by the end date or (ii) has not been cured or abated by the end date; or

by Humana, if:

Aetna's board of directors withdraws or modifies in a manner adverse to Humana its recommendation that Aetna shareholders approve the stock issuance or fails to publicly confirm that recommendation within seven business days after a request to do so from Humana;

Aetna has breached in any material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 172 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its shareholders for purposes of approving the stock issuance described under The Merger Agreement Obligations to Call Stockholders and Shareholders Meetings beginning on page 170 of this joint proxy statement/prospectus; or

if (i) there is in effect any order in respect of certain regulatory matters that prohibits completion of the mergers, which order has not become final and non-appealable, (ii) within 30 days after the order taking effect, Aetna has not instituted appropriate proceedings seeking to have the order terminated and (iii) Aetna's failure to institute appropriate proceedings has not been cured within 10 days following notice to Aetna from Humana of Humana's intent to terminate the merger agreement.

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**Termination Fees (See Page 185)**

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions of the merger agreement, Humana has agreed to pay Aetna a termination fee of \$1.314 billion if the merger agreement is terminated under any of the following circumstances:

by Aetna because Humana's board of directors withdraws or modifies in a manner adverse to Aetna its recommendation that Humana stockholders adopt the merger agreement or fails to publicly confirm that recommendation within seven business days after a request to do so from Aetna;

by Aetna because Humana has breached in any material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 172 of this joint proxy statement/prospectus or its obligation to call and hold a meeting of its stockholders for purposes of adopting the merger agreement described under The Merger Agreement Obligations to Call Stockholders and Shareholders Meetings beginning on page 170 of this joint proxy statement/prospectus; or

by Aetna or Humana because Humana stockholders fail to adopt the merger agreement upon a vote taken on a proposal to adopt the merger agreement at the Humana special meeting and, at or prior to the Humana special meeting, an acquisition proposal for Humana has been publicly disclosed or announced, and on or prior to the first anniversary of such termination Humana enters into a definitive agreement, or completes a transaction, relating to an acquisition proposal for Humana.

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions of the merger agreement, Aetna has agreed to pay Humana a termination fee of \$1.691 billion if the merger agreement is terminated under any of the following circumstances:

by Humana because Aetna's board of directors withdraws or modifies in any manner adverse to Humana its recommendation that Aetna shareholders approve the stock issuance or fails to publicly confirm that recommendation within seven business days after a request to do so from Humana;

by Humana because Aetna has breached in a material respect any of its obligations described under The Merger Agreement No Solicitation beginning on page 172 of this joint proxy statement/prospectus or its obligations to call and hold a meeting of its shareholders for purposes of approving the stock issuance described under The Merger Agreement Obligations to Call Stockholders and Shareholders Meetings beginning on page 170 of this joint proxy statement/prospectus; or

by Humana or Aetna because Aetna shareholders fail to approve the stock issuance upon a vote taken on a proposal to approve the stock issuance at the Aetna special meeting and, at or prior to the Aetna special meeting, an acquisition proposal for Aetna has been publicly disclosed or announced, and on or prior to the first anniversary of such termination Aetna enters into a definitive agreement, or completes a transaction, relating to an acquisition proposal for Aetna.

In addition, as more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the terms and conditions of the merger agreement, Aetna has agreed to pay Humana a termination fee of \$1 billion if both (x) the merger agreement is terminated under any the following circumstances:

by Humana or Aetna because the mergers have not been completed on or before the end date;

by Humana or Aetna because there is in effect any applicable law or final and non-appealable order in respect of certain regulatory matters in the U.S. or any of its territories that prohibits the completion of the mergers; or

by Humana because (i) there is in effect any order in respect of certain regulatory matters that prohibits completion of the mergers, which order has not become final and non-appealable, (ii) within 30 days after the order taking effect, Aetna has not instituted appropriate proceedings seeking to have the order

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terminated and (iii) Aetna's failure to institute appropriate proceedings has not been cured within 10 days following notice to Aetna from Humana of Humana's intent to terminate the merger agreement; and (y) at the time of termination of the merger agreement, all of the conditions to Aetna's and Merger Subs obligations to complete the mergers are satisfied other than (i) the regulatory approvals condition and (ii) the condition requiring the absence of any applicable law or order being in effect in the U.S. or any of its territories that prohibits the completion of the mergers (but only if that condition is not satisfied solely due to any applicable law or final and non-appealable order in respect of certain regulatory matters).

Except in the case of fraud, if either party receives a termination fee in accordance with the provisions of the merger agreement, the receipt of the termination fee will be the receiving party's sole and exclusive remedy against the paying party.

See "The Merger Agreement Termination Fee and Expenses" beginning on page 185 of this joint proxy statement/prospectus for a more complete description of the circumstances under which Humana or Aetna will be required to pay a termination fee.

**Specific Performance; Remedies (See Page 186)**

Under the merger agreement, each of Aetna and Humana is entitled to an injunction or injunctions to prevent breaches of the merger agreement and to specifically enforce the terms and provisions of the merger agreement.

**Material U.S. Federal Income Tax Consequences (See Page 149)**

Aetna and Humana intend that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code and that Aetna and Humana will each be a party to the reorganization, and it is a condition to the obligation of each of Aetna and Humana to complete the mergers that each shall have received an opinion from its tax counsel substantially to this effect. Accordingly, a U.S. person that is a beneficial owner of Humana common stock generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received and (ii) the excess of the sum of the amount of cash received and the fair market value of the Aetna common shares received over the U.S. person's adjusted tax basis in the shares of Humana common stock surrendered in the mergers.

Each Humana stockholder is urged to read the discussion in the section entitled "Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Material U.S. Federal Income Tax Consequences" beginning on page 149 of this joint proxy statement/prospectus and to consult its tax advisor to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences to it of the mergers.

**Accounting Treatment (See Page 152)**

The merger will be accounted for as an acquisition of a business. Aetna will record assets acquired and liabilities assumed from Humana primarily at their respective fair values at the date of completion of the mergers. Any excess of the purchase price (as described under Note 4. Estimate of Consideration Expected to be Transferred under "Aetna and Humana Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 44 of this joint proxy statement/prospectus) over the net fair value of such assets and liabilities will be recorded as goodwill.





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**Rights of Humana Stockholders Will Change as a Result of the Merger (See Page 208)**

Humana stockholders will have different rights once they become Aetna shareholders due to differences between the organizational documents of Aetna and Humana and differences between Pennsylvania law, under which Aetna is incorporated, and Delaware law, under which Humana is incorporated. These differences are described in more detail under **Comparison of Stockholder Rights** beginning on page 208 of this joint proxy statement/prospectus.

**Litigation Relating to the Mergers (See Page 152)**

As of August 27, 2015, three putative class action complaints have been filed by purported Humana stockholders challenging the mergers, two in the Circuit Court of Jefferson County, Kentucky and one in the Court of Chancery of the State of Delaware. The complaints are captioned *Solak v. Broussard et al.*, Civ. Act. No. 15CI03374 (Kentucky state court), *Litwin v. Broussard et al.*, Civ. Act. No. 15CI04054 (Kentucky state court) and *Scott v. Humana Inc. et al.*, C.A. No. 11323-VCL (Delaware state court). The complaints name as defendants each member of Humana's board of directors, Aetna, Merger Subs and, in the case of the Delaware complaint, Humana. The complaints generally allege, among other things, that the individual members of Humana's board of directors breached their fiduciary duties owed to the stockholders of Humana by entering into the merger agreement, approving the mergers, and failing to take steps to maximize the value of Humana to its stockholders, and that Aetna, Merger Subs and, in the case of the Delaware complaint, Humana aided and abetted such breaches of fiduciary duties. In addition, the complaints allege that the merger undervalues Humana, that the process leading up to the execution of the merger agreement was flawed, that the members of Humana's board of directors improperly placed their own financial interests ahead of those of Humana's stockholders, and that certain provisions of the merger agreement improperly favor Aetna and impede a potential alternative transaction. Among other remedies, the complaints seek equitable relief rescinding the merger agreement and enjoining the defendants from completing the mergers as well as costs and attorneys' fees. On August 20, 2015, the parties in the Kentucky state cases filed a stipulation and proposed order with the court to consolidate those cases into a single action captioned *In re Humana Inc. Shareholder Litigation*, Civ. Act. No. 15CI03374. Defendants believe that the complaints are entirely without merit.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF AETNA**

The following table presents selected historical consolidated financial data of Aetna. The selected historical consolidated financial data of Aetna for each of the years ended December 31, 2014, 2013 and 2012, and as of December 31, 2014 and 2013, are derived from Aetna's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Aetna for each of the years ended December 31, 2011 and 2010, and as of December 31, 2012, 2011 and 2010, have been derived from Aetna's audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of Aetna as of, and for the six months ended, June 30, 2015 and for the six months ended June 30, 2014, are derived from Aetna's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Aetna as of June 30, 2014 are derived from Aetna's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, which has not been incorporated by reference into this joint proxy statement/prospectus. Aetna's management believes that Aetna's unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

You should read the following selected historical consolidated financial data of Aetna in conjunction with Aetna's audited consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2014 and unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015. In particular, see the notes to Aetna's audited consolidated financial statements for significant events affecting the comparability of results as well as material uncertainties regarding Aetna's future financial condition and results of operations. Aetna acquired Coventry Health Care, Inc. in May 2013, which impacts the comparability of financial results for the years ended December 31, 2014 and 2013 to prior periods.

	As of/For the Six Months Ended		As of/For the Years Ended December 31,				
	6/30/2015	6/30/2014	2014	2013	2012	2011	2010
	(millions of dollars, except per share amounts)						
Income Statement Data:							
Total Revenue	\$ 30,335.0	\$ 28,504.2	\$ 58,003.2	\$ 47,294.6	\$ 36,599.8	\$ 33,782.2	\$ 34,252.0
Net income attributable to Aetna	1,509.3	1,214.3	2,040.8	1,913.6	1,657.9	1,985.7	1,766.8
Net realized capital gains (losses), net of tax	6.2	33.9	51.9	(6.8)	71.0	109.1	183.8

**Balance Sheet****Data:**

Total assets	\$ 54,641.1	\$ 53,160.7	\$ 53,402.1	\$ 49,764.8	\$ 41,387.5	\$ 38,593.1	\$ 37,739.4
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Short-term debt			500.0			425.9	
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Long-term debt	7,840.1	8,224.8	8,081.3	8,252.6	6,481.3	3,977.7	4,382.5
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Total Aetna shareholders equity	15,406.6	14,695.8	14,482.6	14,025.5	10,405.8	10,120.2	9,890.8
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**Per Common****Share Data:**

Cumulative annual dividends declared	\$ 0.500	\$ 0.450	\$ 0.925(1)	\$ 0.825(1)	\$ 0.725(1)	\$ 0.625(1)	\$ 0.04(1)
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Net income attributable to

Aetna:

Basic	4.32	3.38	5.74	5.38	4.87	5.33	4.25
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Diluted	4.28	3.35	5.68	5.33	4.81	5.22	4.18
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(1) In February 2011, Aetna announced that its board of directors increased its cash dividend to shareholders to \$.15 per share and moved to a quarterly dividend payment cycle. In December 2011, Aetna's board of directors increased the

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quarterly cash dividend to shareholders to \$.175 per common share. In November 2012, Aetna's board of directors increased the quarterly cash dividend to shareholders to \$.20 per common share. In December 2013, Aetna's board of directors increased the quarterly cash dividend to shareholders to \$.225 per common share. In November 2014, Aetna's board of directors increased the quarterly cash dividend to \$.25 per common share. Under the terms of the merger agreement, during the period before completion of the merger, Aetna is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed \$0.25 per share per quarter.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF HUMANA**

The following table presents selected historical consolidated financial data of Humana. The selected historical consolidated financial data of Humana for each of the years ended December 31, 2014, 2013 and 2012, and as of December 31, 2014 and 2013, are derived from Humana's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2014, as updated by Humana's Current Report on Form 8-K filed with the SEC on August 10, 2015 (which, including its related exhibits, updated certain information included in Humana's Annual Report on Form 10-K for the year ended December 31, 2014, including Items 1, 6, 7 and 8, as it relates to the effects of business segment reclassifications in the first quarter of 2015), which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Humana for each of the years ended December 31, 2011 and 2010, and as of December 31, 2012, 2011 and 2010, have been derived from Humana's audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of Humana as of, and for the six months ended, June 30, 2015 and for the six months ended June 30, 2014, are derived from Humana's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Humana as of June 30, 2014 are derived from Humana's unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, which has not been incorporated by reference into this joint proxy statement/prospectus. Humana's management believes that Humana's unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

You should read the following selected historical consolidated financial data of Humana in conjunction with Humana's audited consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2014, as updated by Humana's Current Report on Form 8-K filed with the SEC on August 10, 2015 (which, including its related exhibits, updated certain information included in Humana's Annual Report on Form 10-K for the year ended December 31, 2014, including Items 1, 6, 7 and 8, as it relates to the effects of business segment reclassifications in the first quarter of 2015), and unaudited consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015.

	<b>As of/For the Six Months Ended</b>		<b>As of/For the Years Ended December 31,</b>				
	<b>6/30/2015(a)</b>	<b>6/30/2014</b>	<b>2014(b)</b>	<b>2013(c)</b>	<b>2012(d)</b>	<b>2011</b>	<b>2010(e)</b>
<b>(millions of dollars, except per share amounts)</b>							
<b>Summary of Operating Results:</b>							
Revenues							
Premiums	\$ 26,460	\$ 22,667	\$ 45,959	\$ 38,829	\$ 37,009	\$ 35,106	\$ 32,712
Services	897	1,084	2,164	2,109	1,726	1,360	555
Investment income	208	183	377	375	391	366	329
Total revenues	27,565	23,934	48,500	41,313	39,126	36,832	33,596
Operating Expenses							
Benefits	22,257	18,751	38,166	32,564	30,985	28,823	27,117

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Operating costs	3,762	3,620	7,639	6,355	5,830	5,395	4,380
Depreciation and amortization	183	161	333	333	295	270	245
Total operating expenses	26,202	22,532	46,138	39,252	37,110	34,488	31,742
Income from operations	1,363	1,402	2,362	2,061	2,016	2,344	1,854
Gain on sale of business	267						
Interest expense	93	70	192	140	105	109	105
Income before income taxes	1,537	1,332	2,170	1,921	1,911	2,235	1,749
Provision for income taxes	676	620	1,023	690	689	816	650
Net income	\$ 861	\$ 712	\$ 1,147	\$ 1,231	\$ 1,222	\$ 1,419	\$ 1,099
Basic earnings per common share	\$ 5.74	\$ 4.59	\$ 7.44	\$ 7.81	\$ 7.56	\$ 8.58	\$ 6.55
Diluted earnings per common share	\$ 5.67	\$ 4.54	\$ 7.36	\$ 7.73	\$ 7.47	\$ 8.46	\$ 6.47
Dividends declared per common share	\$ 0.57	\$ 0.55	\$ 1.11	\$ 1.07	\$ 1.03	\$ 0.75	\$

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	As of/For the Six Months Ended		As of/For the Years Ended December 31,					
	6/30/2015(a)	6/30/2014	2014(b)	2013(c)	2012(d)	2011	2010(e)	
(millions of dollars, except per share amounts)								
<b>Financial Position:</b>								
Cash and investments	\$ 11,130	\$ 11,053	\$ 11,482	\$ 10,938	\$ 11,153	\$ 10,830	\$ 10,046	
Total assets	25,384	23,121	23,466	20,735	19,979	17,708	16,103	
Benefits payable	4,781	4,778	4,475	3,893	3,779	3,754	3,469	
Debt	4,123	2,595	3,825	2,600	2,611	1,659	1,669	
Stockholders equity	10,083	10,000	9,646	9,316	8,847	8,063	6,924	
<b>Cash flows from operations</b>								
	\$ (501)	\$ 471	\$ 1,618	\$ 1,716	\$ 1,923	\$ 2,079	\$ 2,242	
<b>Key Financial Indicators:</b>								
Benefit ratio	84.1%	82.7%	83.0%	83.9%	83.7%	82.1%	82.9%	
Operating cost ratio	13.8%	15.2%	15.9%	15.5%	15.1%	14.8%	13.2%	
<b>Membership by Segment:</b>								
<i>Retail segment:</i>								
Medical membership	9,167,600	8,135,500	8,376,500	6,459,300	5,956,700	5,117,400	3,985,600	
Specialty membership	1,203,600	1,229,500	1,165,800	1,042,500	948,700	782,500	510,000	
<i>Group segment:</i>								
Medical membership	4,987,000	5,441,500	5,430,200	5,501,600	5,573,400	5,500,600	5,733,600	
Specialty membership	6,179,700	6,576,000	6,502,700	6,780,800	7,136,200	6,532,600	6,517,500	
<i>Other Businesses:</i>								
Medical membership	33,500	36,700	35,000	23,400	558,700	566,600	567,400	
<b>Consolidated:</b>								
Total medical membership	14,188,100	13,613,700	13,841,700	11,984,300	12,088,800	11,184,600	10,286,600	
Total specialty membership	7,383,300	7,805,500	7,668,500	7,823,300	8,084,900	7,315,100	7,027,500	

(a)

Includes gain on sale of Concentra Inc. on June 1, 2015 of \$267 million (\$232 million after tax, \$1.53 per diluted common share).

- (b) Includes loss on extinguishment of debt of \$37 million (\$23 million after tax, or \$0.15 per diluted common share), for the redemption of senior notes.
- (c) Includes benefits expense of \$243 million (\$154 million after tax, or \$0.99 per diluted common share), for reserve strengthening associated with Humana's non-strategic closed block of long-term care insurance policies.
- (d) Includes the acquired operations of Arcadian Management Services, Inc. from March 31, 2012, SeniorBridge Family Companies, Inc. from July 6, 2012, and Metropolitan Health Networks, Inc. from December 21, 2012.
- (e) Includes the acquired operations of Concentra Inc. from December 21, 2010. Also includes operating costs of \$147 million (\$93 million after tax, or \$0.55 per diluted common share) for the write-down of deferred acquisition costs associated with Humana's individual commercial medical policies and benefits expense of \$139 million (\$88 million after tax, or \$0.52 per diluted common share) associated with reserve strengthening for Humana's non-strategic closed block of long-term care insurance policies.



**Table of Contents****COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following table sets forth selected historical and unaudited pro forma combined per share information for Aetna and Humana.

***Historical Per Share Information of Aetna and Humana.*** The historical per share information of each of Aetna and Humana below is derived from the audited consolidated financial statements of each of Aetna and Humana as of, and for the year ended, December 31, 2014, and the unaudited consolidated financial statements of each of Aetna and Humana as of, and for the six months ended, June 30, 2015.

***Unaudited Pro Forma Combined per Aetna Common Share Data.*** The unaudited pro forma combined per Aetna common share data set forth below give effect to the mergers under the acquisition method of accounting, as if the mergers had been effective on January 1, 2014, the first day of Aetna's fiscal year ended December 31, 2014, in the case of net income per share. The unaudited pro forma combined book value per Aetna common share data set forth below give effect to the mergers under the acquisition method of accounting, as if the mergers had been effective June 30, 2015, assuming that each outstanding share of Humana common stock, the Humana RSUs and the Humana PSUs had been converted into Aetna common shares based on the exchange ratio.

The unaudited pro forma combined per Aetna common share data is derived from the audited consolidated financial statements of each of Aetna and Humana as of, and for the year ended, December 31, 2014, and the unaudited condensed consolidated financial statements of each of Aetna and Humana as of, and for the six months ended, June 30, 2015.

The acquisition method of accounting is based on Financial Accounting Standards Board, Accounting Standards Codification (which is referred to in this joint proxy statement/prospectus as ASC) 805, *Business Combinations*, and uses the fair value concepts defined in ASC 820, *Fair Value Measurements and Disclosures*, which Aetna has adopted as required. Acquisition accounting requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. Fair value measurements recorded in acquisition accounting are dependent upon certain valuation studies of Humana's assets and liabilities and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments reflect the assets and liabilities of Humana at their preliminary estimated fair values. Differences between these preliminary estimates and the final values in acquisition accounting will occur, and these differences could have a material impact on the unaudited pro forma combined per share information set forth in the following table.

The unaudited pro forma combined per Aetna common share data does not purport to represent the actual results of operations that Aetna would have achieved had the companies been combined during these periods or to project the future results of operations that Aetna may achieve after completion of the mergers.

***Unaudited Pro Forma Combined per Humana Equivalent Share Data.*** The unaudited pro forma combined per Humana equivalent share data set forth below shows the effect of the mergers from the perspective of an owner of Humana common stock. The information was calculated by multiplying the unaudited pro forma combined per Aetna common share amounts by the exchange ratio.

***Generally.*** You should read the below information in conjunction with the selected historical consolidated financial data included elsewhere in this joint proxy statement/prospectus and the historical consolidated financial statements of Aetna and Humana and related notes that have been filed with the SEC, certain of which are incorporated by reference into this joint proxy statement/prospectus. See Selected Historical Consolidated Financial Data of Aetna, Selected

Historical Consolidated Financial Data of Humana and Where You Can Find More Information beginning on pages 38, 40 and 229, respectively, of this joint proxy statement/prospectus. The unaudited pro forma combined per Aetna common share data and the unaudited pro forma combined per Humana equivalent share data is derived from, and should be read in conjunction with, the Aetna

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and Humana unaudited pro forma condensed combined financial statements and related notes included in this joint proxy statement/prospectus. See Aetna and Humana Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 44 of this joint proxy statement/prospectus.

	<b>As of/For the Six Months Ended June 30, 2015</b>	<b>As of/For the Year Ended December 31, 2014</b>
<b>Aetna Historical per Common Share Data:</b>		
Net income basic	\$ 4.32	\$ 5.74
Net income diluted	4.28	5.68
Cash dividends declared	.50	.925
Book value(1)	44.20	41.40
<b>Humana Historical per Common Share Data:</b>		
Net income basic	\$ 5.74	\$ 7.44
Net income diluted	5.67	7.36
Cash dividends declared	.57	1.11
Book value(1)	68.06	64.48
<b>Unaudited Pro Forma Combined per Aetna Common Share Data:</b>		
Net income basic	\$ 4.41	\$ 5.40
Net income diluted	4.37	5.36
Cash dividends declared(2)	N/A	N/A
Book value(1)	61.79	N/A
<b>Unaudited Pro Forma Combined per Humana Equivalent Share Data:</b>		
Net income basic(3)	\$ 3.69	\$ 4.52
Net income diluted(3)	3.66	4.49
Cash dividends declared(2)	N/A	N/A
Book value(1)(3)	51.75	N/A

- (1) Amounts calculated by dividing shareholders' equity by Aetna common shares or shares of Humana common stock, as applicable, outstanding. Pro forma book value per share as of December 31, 2014 is not applicable as the estimated pro forma adjustments were calculated as of June 30, 2015.
- (2) Pro forma combined dividends per share data is not provided due to the fact that the dividend policy for the combined company will be determined by Aetna's board of directors following completion of the mergers.
- (3) Amounts calculated by multiplying unaudited pro forma combined per share amounts by the exchange ratio.



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**AETNA AND HUMANA UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS**

The unaudited pro forma condensed combined statements of income for the year ended December 31, 2014, and for the six months ended June 30, 2015, combine the historical consolidated statements of income of Aetna and Humana, giving effect to the mergers as if they had occurred on January 1, 2014, the first day of the fiscal year ended December 31, 2014. The unaudited pro forma condensed combined balance sheet as of June 30, 2015, combines the historical consolidated balance sheets of Aetna and Humana, giving effect to the mergers as if they had occurred on June 30, 2015. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the mergers, (ii) factually supportable, and (iii) with respect to the statements of income, expected to have a continuing impact on the combined company's results. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on, and should be read in conjunction with, the following historical consolidated financial statements and accompanying notes, which are incorporated by reference into this joint proxy statement/prospectus:

separate historical consolidated financial statements of Aetna as of, and for the year ended, December 31, 2014, and the related notes included in Aetna's Annual Report on Form 10-K for the year ended December 31, 2014;

separate historical consolidated financial statements of Humana as of, and for the year ended, December 31, 2014, and the related notes included in Humana's Annual Report on Form 10-K for the year ended December 31, 2014, as updated by Humana's Current Report on Form 8-K filed with the SEC on August 10, 2015 (which, including its related exhibits, updated certain information included in Humana's Annual Report on Form 10-K for the year ended December 31, 2014, including Items 1, 6, 7 and 8, as it relates to the effects of business segment reclassifications in the first quarter of 2015);

separate historical consolidated financial statements of Aetna as of, and for the six months ended, June 30, 2015, and the related notes included in Aetna's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015; and

separate historical consolidated financial statements of Humana as of, and for the six months ended, June 30, 2015, and the related notes included in Humana's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015.

The unaudited pro forma condensed combined financial information has been prepared by Aetna using the acquisition method of accounting in accordance with U.S. generally accepted accounting principles, which are referred to in this joint proxy statement/prospectus as GAAP. Aetna has been treated as the acquirer in the mergers for accounting purposes. The acquisition accounting is dependent upon certain valuation and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. The mergers have not yet received the necessary approvals from governmental authorities. Under the HSR Act and other relevant laws and regulations, before completion of the mergers, there are significant limitations regarding what Aetna can learn about

Humana. The assets and liabilities of Humana have been measured based on various preliminary estimates using assumptions that Aetna believes are reasonable based on information that is currently available to it. Differences between these preliminary estimates and the final acquisition accounting will occur, and those differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position. The pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial statements prepared in accordance with the rules and regulations of the SEC.

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Aetna intends to commence the necessary valuation and other studies required to complete the acquisition accounting promptly upon completion of the mergers and will finalize the acquisition accounting as soon as practicable within the required measurement period prescribed by ASC 805, but in no event later than one year following completion of the mergers.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that Aetna and Humana would have achieved had the companies been combined during the periods presented in the unaudited pro forma condensed combined financial statements and is not intended to project the future results of operations that the combined company may achieve after the mergers. The unaudited pro forma condensed combined financial information does not reflect any potential divestitures that may occur prior to, or subsequent to, the completion of the mergers or cost savings that may be realized as a result of the mergers and also does not reflect any restructuring or integration-related costs to achieve those potential cost savings. In addition, the unaudited pro forma condensed combined financial information does not reflect any potential debt repayments to reduce Aetna's debt-to-capital ratio below 40 percent over the 24 months following the completion of the mergers. No material intercompany transactions between Aetna and Humana during the periods presented in the unaudited pro forma condensed combined financial statements have been identified at this time.

**Table of Contents****Unaudited Pro Forma Condensed Combined Statement of Income For the Year Ended December 31, 2014**

	<b>Aetna</b>	<b>Humana</b>	<b>Pro Forma Adjustments (Note 6)</b>	<b>Pro Forma Combined</b>
<b>(Millions, except per common share data)</b>				
<b>Revenue:</b>				
Health care and other premiums	\$ 51,748.5	\$ 45,959.0	\$	\$ 97,707.5
Fees and other revenue	5,308.8	2,184.0		7,492.8
Net investment income	945.9	357.0	(77.2)(a)(b)	1,225.7
<b>Total revenue</b>	<b>58,003.2</b>	<b>48,500.0</b>	<b>(77.2)</b>	<b>106,426.0</b>
<b>Benefits and expenses:</b>				
Health care costs and benefits	42,911.7	38,166.0		81,077.7
Selling, general and administrative expenses	11,262.3	7,972.0	347.6(c)(d)	19,581.9
Interest expense	329.3	192.0	471.6(e)	992.9
<b>Total benefits and expenses</b>	<b>54,503.3</b>	<b>46,330.0</b>	<b>819.2</b>	<b>101,652.5</b>
<b>Income before income taxes (benefits)</b>	<b>3,499.9</b>	<b>2,170.0</b>	<b>(896.4)</b>	<b>4,773.5</b>
<b>Income tax expense (benefit)</b>	<b>1,454.7</b>	<b>1,023.0</b>	<b>(313.7)(f)</b>	<b>2,164.0</b>
<b>Net income including non-controlling interests</b>	<b>2,045.2</b>	<b>1,147.0</b>	<b>(582.7)</b>	<b>2,609.5</b>
Less: Net income attributable to non-controlling interests	4.4			4.4
<b>Net income attributable to Aetna</b>	<b>\$ 2,040.8</b>	<b>\$ 1,147.0</b>	<b>\$ (582.7)</b>	<b>\$ 2,605.1</b>
<b>Earnings per common share:</b>				
<b>Basic</b>	<b>\$ 5.74</b>	<b>\$ 7.44</b>		<b>\$ 5.40</b>
<b>Diluted</b>	<b>\$ 5.68</b>	<b>\$ 7.36</b>		<b>\$ 5.36</b>
<b>Weighted-average shares:</b>				
<b>Basic</b>	<b>355.5</b>	<b>154.2</b>	<b>(27.3)(g)</b>	<b>482.4</b>
<b>Diluted</b>	<b>359.1</b>	<b>155.9</b>	<b>(29.0)(g)</b>	<b>486.0</b>

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments shown above are explained in *Note 6. Income Statement Pro Forma Adjustments*, beginning on page 54 of this joint proxy statement/prospectus.





**Table of Contents****Unaudited Pro Forma Condensed Combined****Statement of Income****For the Six Months Ended June 30, 2015**

	<b>Aetna</b>	<b>Humana</b>	<b>Pro Forma Adjustments (Note 6)</b>	<b>Pro Forma Combined</b>
	<b>(Millions, except per common share data)</b>			
Revenue:				
Health care and other premiums	\$ 26,960.6	\$ 26,460.0	\$	\$ 53,420.6
Fees and other revenue	2,894.1	1,201.0		4,095.1
Net investment income	480.3	171.0	(36.2)(a)(b)	615.1
Total revenue	30,335.0	27,832.0	(36.2)	58,130.8
Benefits and expenses:				
Health care costs and benefits	21,804.1	22,257.0		44,061.1
Selling, general and administrative expenses	5,745.4	3,945.0	148.0(c)(d)	9,838.4
Interest expense	157.3	93.0	235.8(e)	486.1
Total benefits and expenses	27,706.8	26,295.0	383.8	54,385.6
Income before income taxes (benefits)	2,628.2	1,537.0	(420.0)	3,745.2
Income tax expense (benefit)	1,117.3	676.0	(147.0)(f)	1,646.3
Net income including non-controlling interests	1,510.9	861.0	(273.0)	2,098.9
Less: Net income attributable to non-controlling interests	1.6			1.6
Net income attributable to Aetna	\$ 1,509.3	\$ 861.0	\$ (273.0)	\$ 2,097.3
Earnings per common share:				
Basic	\$ 4.32	\$ 5.74		\$ 4.41
Diluted	\$ 4.28	\$ 5.67		\$ 4.37
Weighted-average shares:				
Basic	349.2	150.0	(23.1)(g)	476.1
Diluted	352.5	151.7	(24.8)(g)	479.4

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments shown above are explained in *Note 6. Income Statement Pro Forma Adjustments*, beginning on page 54 of this joint proxy statement/prospectus.

**Table of Contents****Unaudited Pro Forma Condensed Combined****Balance Sheet****As of June 30, 2015**

	<b>Aetna</b>	<b>Humana</b>	<b>Pro Forma Adjustments (Note 7) (Millions)</b>	<b>Pro Forma Combined</b>
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,125.8	\$ 2,250.0	\$ (2,806.1)(h)	\$ 569.7
Investments	2,545.8	7,041.0		9,586.8
Premiums and other receivables, net	5,258.8	2,129.0		7,387.8
Other current assets	4,051.7	5,555.0	153.2(i)	9,759.9
<b>Total current assets</b>	<b>12,982.1</b>	<b>16,975.0</b>	<b>(2,652.9)</b>	<b>27,304.2</b>
Long-term investments	22,180.1	1,839.0		24,019.1
Goodwill	10,641.3	3,266.0	19,793.5(j)	33,700.8
Intangibles	1,816.7	401.0	6,714.0(k)	8,931.7
Other long-term assets	2,729.6	2,903.0	(800.5)(h)(l)	4,832.1
Separate Accounts assets	4,291.3			4,291.3
<b>Total assets</b>	<b>\$ 54,641.1</b>	<b>\$ 25,384.0</b>	<b>\$ 23,054.1</b>	<b>\$ 103,079.2</b>
<b>Liabilities and shareholders' equity:</b>				
<b>Current liabilities:</b>				
Health care costs payable and unpaid claims	\$ 6,719.0	\$ 4,781.0	\$	\$ 11,500.0
Short term debt		300.0	1,600.0(m)	1,900.0
Accrued expenses and other current liabilities	9,082.5	3,892.0	570.0(n)	13,544.5
<b>Total current liabilities</b>	<b>15,801.5</b>	<b>8,973.0</b>	<b>2,170.0</b>	<b>26,944.5</b>
Long-term debt	7,840.1	3,823.0	14,744.5(o)	26,407.6
Other long-term liabilities	11,240.4	2,505.0	2,246.9(p)	15,992.3
Separate Accounts liabilities	4,291.3			4,291.3
<b>Total liabilities</b>	<b>39,173.3</b>	<b>15,301.0</b>	<b>19,161.4</b>	<b>73,635.7</b>
<b>Shareholders' equity:</b>				
Common stock and additional paid-in-capital(1)	4,589.1	2,528.0	11,805.0(q)	18,922.1
Retained earnings	12,090.6	7,402.0	(7,759.3)(r)	11,733.3
	(1,273.1)	153.0	(153.0)(s)	(1,273.1)

Accumulated other comprehensive (loss) income				
Total shareholders' equity	15,406.6	10,083.0	3,892.7	29,382.3
Non-controlling interests	61.2			61.2
Total equity	15,467.8	10,083.0	3,892.7	29,443.5
Total liabilities and shareholders' equity	\$ 54,641.1	\$ 25,384.0	\$ 23,054.1	\$ 103,079.2

(1) On an historical basis, share information of Aetna is as follows: 2.5 billion common shares authorized; 348.6 million common shares issued and outstanding. On a pro forma combined basis, share information is as follows: 2.5 billion common shares authorized; 475.5 million common shares issued and outstanding. See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments shown above are explained in *Note 7. Balance Sheet Pro Forma Adjustments*, beginning on page 57 of this joint proxy statement/prospectus.

**Table of Contents****NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS****1. Description of Transaction**

On July 2, 2015, Aetna, Merger Sub 1, Merger Sub 2 and Humana entered into the merger agreement, pursuant to which, subject to the terms and conditions set forth in the merger agreement, Humana will become a wholly owned subsidiary of Aetna. Upon completion of the mergers, each share of Humana common stock issued and outstanding will be converted into the right to receive \$125.00 in cash, without interest, and 0.8375 of an Aetna common share.

As of the completion of the mergers, each vested Humana stock option (including those Humana stock options that vest by their terms as of the completion of the merger) will be cancelled and converted into the right to receive a cash amount equal to, for each share of Humana common stock underlying the Humana stock option, the excess, if any, of (i) the sum of (A) \$125.00 plus (B) the value equal to the product of the Aetna closing price multiplied by the exchange ratio over (ii) the applicable per share exercise price of such Humana stock option. Each outstanding vested Humana stock option (including those Humana stock options that vest by their terms as of the completion of the merger) with a per share-exercise price greater than or equal to the equity award cash consideration will be cancelled for no consideration.

As of the completion of the mergers, each Humana stock option that is not vested as of the completion of the merger or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), will be assumed by Aetna and will become an option to purchase Aetna common shares on the same terms and conditions, except that (i) the number of Aetna common shares subject to the assumed stock option will equal (A) the number of shares of Humana common stock that were subject to such Humana stock option immediately prior to the completion of the mergers, multiplied by (B) the equity award exchange ratio and (ii) the per-share exercise price will equal the exercise price per share of the Humana stock option immediately prior to the completion of the mergers, divided by the equity award exchange ratio.

Immediately prior to the completion of the merger, each outstanding Humana RSU and Humana PSU that provides for accelerated vesting upon the completion of the transactions contemplated by the merger agreement will vest and will be converted into the right to receive, with respect to each share of Humana common stock underlying the Humana RSU or Humana PSU, the merger consideration plus a cash amount equal to the accrued but unpaid dividend equivalent rights as of the completion of the merger relating to such Humana RSU or Humana PSU. Humana PSUs will be earned assuming the achievement of the maximum level of performance to the extent required by their terms.

As of the completion of the mergers, each Humana RSU or Humana PSU that is not converted into a right to receive the merger consideration and the other amounts referred to above, or that is granted after the date of the merger agreement (to the extent permitted under the merger agreement), will be assumed by Aetna and will be converted into a restricted unit award or performance-based unit award, as applicable, that settles in, with respect to each share of Humana common stock underlying the Humana RSU or Humana PSU, the merger consideration, plus a cash amount equal to the accrued but unpaid dividend equivalent rights relating to the Humana RSU or Humana PSU.

The completion of the mergers is subject to adoption of the merger agreement by Humana stockholders, the approval of the stock issuance by Aetna shareholders, termination or expiration of the waiting period under the HSR Act, the required governmental authorizations having been obtained and being in full force and effect and certain other conditions to the completion of the mergers. As of the date of this joint proxy statement/prospectus, and subject to the satisfaction or, to the extent permitted by law, waiver of the conditions described in the preceding sentence, Aetna and Humana expect the mergers to be completed in the second half of 2016.



**Table of Contents****2. Basis of Presentation**

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting and are based on the historical consolidated financial statements of Aetna and Humana. The acquisition method of accounting is based on ASC 805 and uses the fair value concepts defined in ASC 820, *Fair Value Measurements*.

ASC 805 requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, ASC 805 requires that the consideration transferred be measured at the date the mergers are completed at the then-current market price. This requirement will likely result in a per share equity component that is different from the amount assumed in these unaudited pro forma condensed combined financial statements, since the market price of the Aetna common shares at the date the mergers are completed may be different than the \$112.97 market price that was used in the preparation of the unaudited pro forma condensed combined financial statements. The market price of \$112.97 was based upon the closing price of Aetna common shares on the NYSE on July 31, 2015.

ASC 820 defines the term fair value, sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined in ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, Aetna may be required to record the fair value of assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect Aetna's intended use of those assets. Many of these fair value measurements can be highly subjective, and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under the acquisition method of accounting, the assets acquired and liabilities assumed will be recorded, as of completion of the mergers, primarily at their respective fair values and added to those of Aetna. Financial statements and reported results of operations of Aetna issued after completion of the mergers will reflect these values, but will not be retroactively restated to reflect the historical financial position or results of operations of Humana.

Under ASC 805, acquisition-related transaction costs (e.g., advisory, legal, valuation and other professional fees) are not included as a component of consideration transferred but are accounted for as expenses in the periods in which such costs are incurred. Acquisition-related transaction costs expected to be incurred by Aetna include estimated fees related to a bridge financing commitment and agreement, the term loan agreement and estimated interest costs associated with the issuance of long-term transaction-related debt, term loans and commercial paper that Aetna expects to issue prior to completion of the mergers. Total acquisition-related transaction costs expected to be incurred by Aetna and Humana are estimated to be approximately \$500 million and \$70 million, respectively. During the six months ended June 30, 2015, neither Aetna nor Humana incurred any material acquisition-related transaction costs.

The unaudited pro forma condensed combined balance sheet as of June 30, 2015 is required to include adjustments which give effect to events that are directly attributable to the mergers regardless of whether they are expected to have a continuing impact on the combined results or are non-recurring. Therefore, acquisition-related transaction costs expected to be incurred by Aetna and Humana subsequent to June 30, 2015 of approximately \$500 million and \$70 million, respectively, are reflected as a pro forma adjustment to the unaudited pro forma condensed combined balance sheet as of June 30, 2015 as an increase to accrued expenses and other current liabilities, with the related tax benefits reflected as an increase in other current assets and the after tax impact presented as a decrease to retained earnings.





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The unaudited pro forma condensed combined financial statements do not reflect any potential divestitures that may occur prior to, or subsequent to, the completion of the mergers, or the projected realization of cost savings following completion of the mergers. These cost savings opportunities are from administrative cost savings, as well as network and medical management savings. Although Aetna projects that cost savings will result from the mergers, there can be no assurance that these cost savings will be achieved. The unaudited pro forma condensed combined financial statements do not reflect any projected pretax restructuring and integration-related costs associated with the projected cost savings, which are projected to be approximately \$1 billion through 2019. Such restructuring and integration-related costs will be expensed in the appropriate accounting periods after completion of the mergers. In addition, the unaudited pro forma condensed combined financial statements do not reflect any potential debt repayments to reduce Aetna's debt-to-capital ratio below 40 percent over the 24 months following the completion of the mergers.

**3. Accounting Policies**

At completion of the mergers, Aetna will review Humana's accounting policies. As a result of that review, Aetna may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements. At this time, Aetna is not aware of any differences that would have a material impact on the combined financial statements, and therefore, the unaudited pro forma condensed combined financial statements assume there are no differences in accounting policies.

**4. Estimate of Consideration Expected to be Transferred**

The following is a preliminary estimate of consideration expected to be transferred to effect the acquisition of Humana:

	<b>Conversion Calculation</b>	<b>Estimated Fair Value</b>	<b>Form of Consideration</b>
<b>(Millions, except per common share data)</b>			
<b>Consideration Transferred:</b>			
Number of shares of Humana common stock outstanding at July 31, 2015:	148.2		
Multiplied by Aetna's share price at July 31, 2015, multiplied by the exchange ratio (\$112.97*0.8375)	\$ 94.61	\$ 14,019.1	Aetna Common Shares
Multiplied by the per common share cash consideration	\$ 125.00	\$ 18,522.2	Cash
Number of shares underlying in-the-money Humana stock options vested and unvested outstanding as of July 31, 2015, expected to be cancelled and exchanged for cash	.7		
Multiplied by the excess, if any, of (1) the sum of (x) the per common share cash consideration plus (y) Aetna's share price at July 31, 2015, multiplied by the exchange ratio (\$112.97*0.8375) over (2) the weighted-average exercise price of such in-the-money stock options	\$ 104.03	\$ 69.1	Cash

Number of Humana RSUs and Humana PSUs outstanding at July 31, 2015:	3.3			
Multiplied by Aetna's share price at July 31, 2015, multiplied by the exchange ratio (\$112.97*0.8375)	\$ 94.61	\$	313.9	Aetna Common Shares
Multiplied by the per common share cash consideration	\$ 125.00	\$	414.8	Cash

Other consideration transferred(t)

Estimate of Total Consideration Expected to be Transferred(u)	\$ 33,339.1			
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Certain amounts may reflect rounding adjustments.

- (t) As further described in *Note 1. Description of Transaction*, certain outstanding equity awards granted to Humana employees will not be settled upon completion of the mergers, and instead will be converted into replacement awards issued by Aetna, which are referred to in this joint proxy statement/prospectus as replacement awards. The above table excludes approximately 0.2 million aggregate Humana RSUs and Humana PSUs and approximately 0.2 million Humana stock options, each outstanding at July 31, 2015, from the estimate of total consideration expected to be transferred. Other consideration transferred will include the portion of the fair value of the replacement awards that is attributed to pre-merger services. The fair value attributable to post-merger services will be recorded as compensation expense in Aetna's post-merger financial statements. At this time, Aetna is unable to reasonably estimate the respective amounts attributable to pre- and post-merger services.
- (u) The estimated total consideration expected to be transferred reflected in these unaudited pro forma condensed combined financial statements does not purport to represent the actual consideration that will be transferred when the mergers are completed. In accordance with ASC 805, the fair value of equity securities issued as part of the consideration transferred will be measured on the date the mergers are completed at the then-current market price. This requirement will likely result in a different value of the common share component of the purchase consideration and a per share equity component different from the \$94.61 assumed in these unaudited pro forma condensed combined financial statements, and that difference may be material. For example, if the price of Aetna's common shares on the date the mergers are completed increased or decreased by 10% from the price assumed in these unaudited pro forma condensed combined financial statements, the consideration transferred would increase or decrease by approximately \$1.4 billion, which would be reflected in these unaudited pro forma condensed combined financial statements as an increase or decrease to goodwill.

## 5. Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by Aetna in the mergers, reconciled to the estimate of total consideration expected to be transferred:

	At June 30, 2015 (Millions)
<b>Assets Acquired and Liabilities Assumed:</b>	
Historical net book value of net assets acquired	\$ 10,083.0
Less historical:	
Goodwill	(3,266.0)
Intangible assets	(401.0)
Capitalized software	(722.8)
Deferred acquisition costs	(136.0)
Unamortized debt issuance costs	(33.2)
Deferred tax assets on outstanding equity awards	(42.0)
Deferred tax assets on deferred acquisition costs	(66.0)

Deferred tax liabilities on historical capitalized software	198.8
Deferred tax liabilities on historical intangible assets	134.0
<b>Adjusted book value of net assets acquired</b>	<b>\$ 5,748.8</b>
Adjustments to:	
Goodwill(v)	\$ 23,059.5
Identifiable intangible assets(w)	7,115.0
Deferred tax liabilities(x)	(2,439.7)
Fair value adjustment to debt(y)	(144.5)
Other(z)	
Total adjustments	27,590.3
<b>Consideration transferred</b>	<b>\$ 33,339.1</b>

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- (v) Goodwill is calculated as the difference between the acquisition date fair value of the total consideration expected to be transferred and the aggregate values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized.
- (w) As of completion of the mergers, identifiable intangible assets are required to be measured at fair value, and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements and consistent with the ASC 820 requirements for fair value measurements, it is assumed that all assets will be used, and that all acquired assets will be used in a manner that represents the highest and best use of those acquired assets, but it is not assumed that any market participant synergies will be achieved.

The fair value of identifiable intangible assets is determined primarily using variations of the income approach, which is based on the present value of the future after-tax cash flows attributable to each identifiable intangible asset. Other valuation methods, including the market approach and cost approach, were also considered in estimating the fair value. Under the HSR Act and other relevant laws and regulations, there are significant limitations on Aetna's ability to obtain specific information about Humana's intangible assets prior to completion of the mergers.

As of the date of this joint proxy statement/prospectus, Aetna does not have sufficient information as to the amount, timing and risk of the cash flows from all of Humana's identifiable intangible assets to determine their fair value. Some of the more significant assumptions inherent in the development of intangible asset values, from the perspective of a market participant, include, but are not limited to: the amount and timing of projected future cash flows (including revenue and profitability); the discount rate selected to measure the risks inherent in the future cash flows; the assessment of the asset's life cycle; and the competitive trends impacting the asset. However, for purposes of these unaudited pro forma condensed combined financial statements and using publicly available information, such as historical revenues, Humana's cost structure, industry information for comparable intangible assets and certain other high-level assumptions, the fair value of Humana's identifiable intangible assets and their weighted-average useful lives have been preliminarily estimated as follows:

	<b>Estimated Fair Value (Millions)</b>	<b>Estimated Useful Life (Years)</b>
Customer lists	\$ 4,550.0	8.5
Trademarks/tradenames	1,590.0	22.5
Provider networks	600.0	17.5
Technology	375.0	7.5
<b>Total</b>	<b>\$ 7,115.0</b>	

These preliminary estimates of fair value and weighted-average useful life will likely be different from the amounts included in the final acquisition accounting, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. Once Aetna has full access to information about Humana's intangible assets, additional insight will be gained that could impact (i) the estimated total value assigned to identifiable intangible assets, (ii) the estimated allocation of value between finite-lived and indefinite-lived intangible assets (as applicable) and/or (iii) the estimated weighted-average useful life of each category of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become

known to Aetna only upon access to additional information and/or by changes in such factors that may occur prior to completion of the mergers. These factors include, but are not limited to, changes in the regulatory, legislative, legal, technological and/or competitive environments. Increased knowledge about these and/or other elements could result in a change to the estimated fair value of the identifiable Humana intangible assets and/or to the estimated weighted-average useful lives

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from what Aetna has assumed in these unaudited pro forma condensed combined financial statements. The combined effect of any such changes could then also result in a significant increase or decrease to Aetna's estimate of associated amortization expense.

- (x) As of the completion of the mergers, Aetna will establish net deferred tax liabilities and make other tax adjustments as part of the accounting for the mergers, primarily related to estimated fair value adjustments for identifiable intangible assets and debt (see (w) and (y)). The pro forma adjustment to record the effect of deferred taxes was computed as follows:

	(Millions)
Estimated fair value of identifiable intangible assets to be acquired	\$ 7,115.0
Estimated fair value adjustment of debt to be assumed	(144.5)
Total estimated fair value adjustments of assets to be acquired and liabilities to be assumed	\$ 6,970.5
Deferred taxes associated with the estimated fair value adjustments of assets to be acquired and liabilities to be assumed, at 35% (*)	\$ 2,439.7

(\*) Aetna assumed a 35% tax rate when estimating the deferred tax impacts of the acquisition.

- (y) As of the completion of the mergers, debt is required to be measured at fair value. Aetna has calculated the pro forma adjustment using publicly available information and believes the pro forma adjustment amount to be reasonable. This adjustment reflects the incremental fair value of long-term debt over the historical carrying value.
- (z) As of the completion of the mergers, various other assets and liabilities are required to be measured at fair value, including, but not limited to: premiums and other receivables, property and equipment, insurance liabilities, and legal contingencies. As of the date of this joint proxy statement/prospectus, Aetna does not have sufficient information to make a reasonable preliminary estimate of the fair value of these assets and liabilities. Accordingly, for the purposes of these unaudited pro forma condensed combined financial statements, Aetna has assumed that the historical Humana book values represent the best estimate of fair value.

## **6. Income Statement Pro Forma Adjustments**

This note should be read in conjunction with *Note 1. Description of Transaction*; *Note 2. Basis of Presentation*; *Note 4. Estimate of Consideration Expected to be Transferred*; and *Note 5. Estimate of Assets to be Acquired and Liabilities to be Assumed*. Adjustments included in the column under the heading "Pro Forma Adjustments" represent the following:



- (a) For purposes of these unaudited pro forma condensed combined financial statements, Aetna estimated forgone interest income associated with cash to have been used to partially fund a portion of the merger consideration. The estimated forgone interest income for the combined entity in 2014 and for the six months ended June 30, 2015, is approximately \$12.3 million and \$1.5 million, respectively. Aetna's estimate is based on a weighted-average annual interest rate of 0.43% and 0.15% in 2014 and for the six months ended June 30, 2015, respectively.
  
- (b) For purposes of these unaudited pro forma condensed combined financial statements, Aetna estimated forgone interest income associated with adjusting the amortized cost of Humana's investment portfolio to fair value as of completion of the mergers. Forgone interest income due to fair value adjustment to Humana's investment portfolio under the acquisition method of accounting is projected to be approximately \$64.9 million and \$34.7 million in 2014 and for the six months ended June 30, 2015, respectively.

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(c) To adjust amortization expense, as follows:

	<b>Year Ended December 31, 2014</b>	<b>Six Months Ended June 30, 2015</b>
	<b>(Millions)</b>	
Eliminate Humana's historical intangible asset amortization expense	\$ (121.0)	\$ (50.0)
Eliminate Humana's historical deferred acquisition cost amortization expense	(39.0)	(46.0)
Eliminate Humana's historical capitalized software amortization expense	(191.1)	(105.4)
Estimated transaction-related intangible asset amortization *	690.2	345.1
Estimated adjustment to amortization expense	\$ 339.1	\$ 143.7

(\*) Assumes an estimated \$7.1 billion of finite-lived intangibles and a weighted average amortization period of approximately 12 years (*Refer to Note 5. Estimate of Assets to be Acquired and Liabilities to be Assumed*).

(d) Aetna estimates additional general and administrative expense of \$12.6 million in 2014 and \$6.3 million in the six months ended June 30, 2015, related to the amortization of debt issuance costs associated with the long-term debt expected to be issued to partially fund the mergers. Aetna also estimates a reduction in general and administrative expense of \$4.1 million in 2014 and \$2.0 million in the six months ended June 30, 2015 to eliminate Humana's historical amortization of debt issuance costs.

(e) Aetna estimates interest expense of \$471.6 million in 2014 and \$235.8 million in the six months ended June 30, 2015, associated with debt expected to be issued to finance the mergers and the amortization of the estimated fair value adjustment to Humana's debt:

Additional interest expense of approximately \$469.0 million in 2014 and \$234.5 million in the six months ended June 30, 2015, based on approximately \$13.0 billion of long-term fixed-rate and/or floating rate debt securities Aetna expects to issue to partially fund the mergers. The calculation of interest expense on the long-term debt securities assumes various maturity tranches ranging from 1.5 to 30 years and an assumed weighted average annual interest rate of 3.61%. If interest rates were to increase or decrease by 0.125% from the rates assumed in estimating this pro forma adjustment to interest expense, pro forma interest expense would increase or decrease by approximately \$16.3 million in 2014 and \$8.1 million in the six months ended June 30, 2015.

Additional interest expense of approximately \$24.0 million in 2014 and \$12.0 million in the six months ended June 30, 2015, based on approximately \$1.6 billion of term loans Aetna currently expects to borrow to partially fund the mergers, subject to market conditions, including the commercial paper market. The calculation of interest expense on the term loans assumes a maturity of 3 years and an assumed annual interest rate of 1.50%. If interest rates were to increase or decrease by 0.125% from the rates assumed in estimating this pro forma adjustment to interest expense, pro forma interest expense would increase or decrease by approximately \$2.0 million in 2014 and \$1.0 million in the six months ended June 30, 2015.

Additional interest expense of approximately \$12.0 million in 2014 and \$6.0 million in the six months ended June 30, 2015, based on approximately \$1.6 billion of commercial paper Aetna currently expects to issue to partially fund the mergers, subject to market conditions, including the commercial paper market. The calculation of interest expense on the commercial paper assumes an annual interest rate of 0.75%. If commercial paper interest rates were to increase or decrease by 0.125% from the rate assumed in estimating this pro forma adjustment to interest expense, pro forma interest expense would increase or decrease by approximately \$2.0 million in 2014 and \$1.0 million for the six months ended June 30, 2015.

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In connection with the mergers, Aetna has amended its unsecured \$2.0 billion five-year revolving credit agreement to increase the available commitments to \$3.0 billion. The increase in available commitments under Aetna's revolving credit facility will be effective upon completion of the mergers. Aetna does not expect to draw on that facility; however, Aetna assumes that it would have incurred estimated facility fees on the incremental commitment of \$1.0 million in 2014 and \$500 thousand for the six months ended June 30, 2015. These amounts are reflected pro forma adjustments to interest expense for these periods.

Additional interest expense associated with incremental debt issued to finance the mergers is partially offset by estimated reductions to interest expense of \$34.4 million in 2014 and \$17.2 million in the six months ended June 30, 2015. These reductions are from the amortization of the estimated fair value adjustment to Humana's debt over the remaining life of Humana's outstanding debt. Debt is required to be measured at fair value under the acquisition method of accounting.

- (f) Aetna assumed a blended 35% tax rate when estimating the tax impact of the mergers, representing the federal statutory tax rate and exclusion of any state tax impacts which are unknown as of the date of this joint proxy statement/prospectus but expected to be immaterial. The effective tax rate of the combined company could be significantly different depending upon post-acquisition activities of the combined company.
- (g) The combined basic and diluted earnings per share for the periods presented are based on the combined weighted-average basic and diluted common shares of Aetna and Humana. The historical weighted-average basic and diluted shares of Humana were assumed to be replaced by the shares expected to be issued by Aetna to effect the mergers.

The following table summarizes the computation of the unaudited pro forma combined weighted average basic and diluted shares outstanding:

	<b>Year Ended December 31, 2014</b>	<b>Six Months Ended June 30, 2015 (Millions)</b>
Aetna weighted average shares used to compute basic EPS	355.5	349.2
Humana shares outstanding at July 31, 2015, converted at the exchange ratio (148.2*0.8375)	124.1	124.1
Combined weighted average basic shares outstanding	479.6	473.3
Number of Humana RSUs and Humana PSUs outstanding at July 31, 2015, converted at the exchange ratio (3.3*0.8375)	2.8	2.8
Pro forma weighted average basic shares outstanding	482.4	476.1
Dilutive effect of Aetna's outstanding stock-based compensation awards(1)	3.6	3.3

Pro forma weighted average shares used to compute diluted EPS	486.0	479.4
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*Certain amounts may reflect rounding adjustments.*

- (1) Does not include outstanding Humana RSUs and Humana PSUs that will be settled in merger consideration or vested or unvested Humana stock options that will be paid in cash and cancelled upon completion of the mergers as described in *Note 4. Estimate of Consideration Expected to be Transferred.*

**Table of Contents****7. Balance Sheet Pro Forma Adjustments**

This note should be read in conjunction with *Note 1. Description of Transaction*; *Note 2. Basis of Presentation*; *Note 4. Estimate of Consideration Expected to be Transferred*; and *Note 5. Estimate of Assets to be Acquired and Liabilities to be Assumed*. Adjustments included in the column under the heading **Pro Forma Adjustments** represent the following:

- (h) To reflect the use of an estimated aggregate \$2.8 billion of available cash in order to partially fund the mergers. The remainder of the estimated cash consideration expected to be transferred to fund the mergers is expected to be financed with \$13.0 billion of long-term debt securities, approximately \$1.6 billion in term loans and approximately \$1.6 billion of commercial paper that Aetna currently expects to issue before the mergers are completed, subject to market conditions, including the commercial paper market (See Note 4. Estimate of Consideration Expected to be Transferred). Expected debt issuance costs of approximately \$91.5 million are reflected in other long-term assets.
- (i) To adjust current tax assets to include \$153.2 million related to estimated tax-deductible acquisition-related transaction costs.
- (j) To adjust goodwill to an estimate of acquisition-date goodwill, as follows:

	<b>(Millions)</b>
Eliminate Humana's historical goodwill	\$ (3,266.0)
Estimated transaction goodwill	23,059.5
<b>Total</b>	<b>\$ 19,793.5</b>

- (k) To adjust intangible assets to their estimated fair value, as follows:

	<b>(Millions)</b>
Eliminate Humana's historical intangible assets	\$ (401.0)
Estimated fair value of intangible assets acquired	7,115.0
<b>Total</b>	<b>\$ 6,714.0</b>

- (l) To eliminate Humana's historical capitalized software of \$722.8 million, historical unamortized debt issuance costs of \$33.2 million, and historical deferred acquisition costs of \$136.0 million, as there is no future economic benefit associated with these assets.

- (m) In addition to the expected long-term debt and term loans described below, Aetna currently expects to issue approximately \$1.6 billion of commercial paper to partially fund the mergers, subject to market conditions, including the commercial paper market.
- (n) To record estimated acquisition-related transaction costs of \$570.0 million expected to be incurred subsequent to June 30, 2015. Total estimated acquisition-related transaction costs to be incurred by Aetna and Humana are approximately \$500 million and \$70 million, respectively. During the six months ended June 30, 2015, neither Aetna nor Humana incurred any material acquisition-related transaction costs.
- (o) To record long-term debt and term loans to be issued by Aetna to partially fund the mergers and to adjust Humana's debt to an estimate of fair value, as follows:

	(Millions)
Establish incremental long-term Aetna debt to effect the mergers	\$ 13,000.0
Establish incremental term loan Aetna debt to effect the mergers	1,600.0
Estimated fair value increase to Humana debt assumed over carrying value	144.5
Total	\$ 14,744.5

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(p) Adjustment of tax liabilities (assets) as follows:

	(Millions)
Eliminate Humana's historical deferred tax liability on intangible assets	\$ (134.0)
Eliminate Humana's historical deferred tax liability on capitalized software	(198.8)
Eliminate Humana's historical deferred tax asset on outstanding equity awards	42.0
Eliminate Humana's historical deferred tax asset on deferred acquisition costs	66.0
Estimated transaction-related deferred tax liability on identifiable intangible assets	2,490.3
Estimated transaction-related deferred tax asset for fair value increase to assumed debt	(50.6)
Estimated transaction-related current tax liability for debt issuance costs	32.0
Total	\$ 2,246.9

(q) To eliminate Humana's historical common shares and additional paid-in capital and record the stock portion of the merger consideration as follows:

	(Millions)
Eliminate Humana's historical common shares and additional paid-in-capital	\$ (2,528.0)
Issuance of Aetna common shares	14,333.0
Total	\$ 11,805.0

(r) To eliminate Humana's historical retained earnings, to estimate the after-tax portion of the acquisition-related transaction costs projected to be incurred after June 30, 2015 and to record the after-tax portion of debt issuance costs as follows:

	(Millions)
Elimination of Humana's historical retained earnings	\$ (7,402.0)
Transaction costs incurred	(416.8)
Debt issuance costs incurred	59.5
Total	\$ (7,759.3)

(s) To eliminate Humana's historical accumulated other comprehensive income of \$153.0 million. The unaudited pro forma condensed combined financial statements do not present a combined dividend per share amount. On each of April 24, 2015 and July 31, 2015, Aetna paid a dividend of \$0.25 per Aetna common share. On



each of January 30, 2015 and April 24, 2015 Humana paid a dividend of \$0.28 per share of Humana stock and on July 31, 2015 Humana paid a dividend of \$0.29 per share of Humana common stock. Under the terms of the merger agreement, during the period prior to completion of the mergers, Humana is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed \$0.29 per share per quarter. Under the terms of the merger agreement, during the period before completion of the mergers, Aetna is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed \$0.25 per share per quarter. The dividend policy of Aetna following completion of the mergers will be determined by Aetna's board of directors.

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Market Prices**

The following table sets forth, for the calendar periods indicated, the intra-day high and low sales prices per Aetna common share and share of Humana common stock as reported on the NYSE. The Aetna common shares are traded on the NYSE under the symbol AET, and the shares of Humana common stock are traded on the NYSE under the symbol HUM. The NYSE has been the principal trading market for Aetna common shares and Humana common stock since December 14, 2000, and May 18, 1971, respectively.

	<b>Aetna Common Shares</b>		<b>Humana Common shares</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
<b>2013:</b>				
First Calendar Quarter	\$ 51.73	\$ 44.38	\$ 81.87	\$ 65.88
Second Calendar Quarter	64.13	50.40	85.90	69.07
Third Calendar Quarter	69.20	61.52	99.85	82.14
Fourth Calendar Quarter	69.47	60.32	105.80	90.19
<b>2014:</b>				
First Calendar Quarter	\$ 76.71	\$ 64.68	\$ 119.93	\$ 91.00
Second Calendar Quarter	82.70	66.85	129.36	103.89
Third Calendar Quarter	85.72	74.81	135.86	115.51
Fourth Calendar Quarter	91.87	71.81	151.52	121.04
<b>2015:</b>				
First Calendar Quarter	\$ 109.90	\$ 87.25	\$ 183.05	\$ 137.45
Second Calendar Quarter	134.40	104.93	219.79	162.35
Third Calendar Quarter (through August 27, 2015)	129.74	93.51	195.00	169.40

The following table sets forth the closing sale price per Aetna common share and share of Humana common stock as reported on the NYSE on July 2, 2015, the last trading day before the public announcement of the merger agreement, and on August 27, 2015, the most recent trading day prior to the date of this joint proxy statement/prospectus for which this information was available. The table also shows the implied value of the merger consideration for each share of Humana common stock as of the same two dates. This implied value was calculated by multiplying the closing sale price of an Aetna common share on the relevant date by the exchange ratio and adding the cash component of the merger consideration, or \$125.00.

	<b>Aetna</b>	<b>Humana</b>	<b>Implied Per Share</b>
	<b>Common</b>	<b>Common</b>	<b>Value of Merger</b>
	<b>Shares</b>	<b>Stock</b>	<b>Consideration</b>
July 2, 2015	\$ 125.51	\$ 187.50	\$ 230.11
August 27, 2015	\$ 117.78	\$ 184.81	\$ 223.64

The market prices of Aetna common shares and Humana common stock have fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the date of the Humana special meeting and the date the mergers are completed and thereafter. No assurance can be given concerning the market prices of Aetna common shares or Humana common stock before completion of the merger or Aetna common shares after completion of the merger. The exchange ratio is fixed in the merger agreement, but the market price of Aetna common shares (and therefore the value of the merger consideration) when received by Humana stockholders after the mergers are completed could be greater than, less than or the same as shown in the table above. Accordingly, Humana stockholders are advised to obtain current market quotations for Aetna common shares and Humana common stock in deciding whether to vote for adoption of the merger agreement.

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**Dividends**

Aetna currently pays a quarterly dividend on Aetna common shares and last paid a dividend on July 31, 2015, of \$0.25 per share. Under the terms of the merger agreement, during the period before completion of the merger, Aetna is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed \$0.25 per share per quarter.

Humana currently pays a quarterly dividend on Humana common stock and last paid a dividend on July 31, 2015, of \$0.29 per share. On August 26, 2015, the Humana board of directors declared a dividend of \$0.29 per share payable on October 30, 2015 to Humana stockholders of record on September 30, 2015. Under the terms of the merger agreement, during the period before completion of the mergers, Humana is not permitted to declare, set aside or pay any dividend or other distribution other than its regular cash dividend in the ordinary course of business consistent with past practice in an amount not to exceed \$0.29 per share per quarter.

In addition, the merger agreement provides that Aetna and Humana will coordinate the declaration of, record dates for and payment of dividends in respect of their respective shares in order that holders of Aetna common shares and shares of Humana common stock do not receive two dividends or fail to receive one dividend for any quarter in respect of shares of Humana common stock, on the one hand, and Aetna common shares issuable in the merger, on the other hand.

After completion of the mergers, each former Humana stockholder who holds the Aetna common shares into which Humana common stock have been converted in connection with the merger will receive whatever dividends are declared and paid on Aetna common shares. However, no dividend or other distribution having a record date after completion of the merger will actually be paid with respect to any Aetna common shares into which Humana common stock have been converted in connection with the mergers until the certificates formerly representing shares of Humana common stock have been surrendered (or the book-entry shares formerly representing shares of Humana common stock have been transferred), at which time any accrued dividends and other distributions on those Aetna common shares will be paid without interest. Subject to the limitations set forth in the merger agreement described above, any future dividends by Aetna will be made at the discretion of Aetna's board of directors. Subject to the limitations set forth in the merger agreement described above, any future dividends by Humana will be made at the discretion of Humana's board of directors. There can be no assurance that any future dividends will be declared or paid by Aetna or Humana or as to the amount or timing of those dividends, if any.

**Table of Contents****RISK FACTORS**

*In addition to the other information contained or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 71 of this joint proxy statement/prospectus, you should carefully consider the following risk factors in determining whether to vote for the adoption of the merger agreement or approval of the stock issuance. You should also read and consider the risk factors associated with each of the businesses of Aetna and Humana because these risk factors may affect the operations and financial results of the combined company. These risk factors may be found under Part I, Item 1A, Risk Factors in each company's Annual Report on Form 10-K for the year ended December 31, 2014, and under Part II, Item 1A, Risk Factors in each company's Quarterly Report on Form 10-Q for the quarterly periods ended June 30, 2015 and March 31, 2015, each of which is on file with the SEC and all of which are incorporated by reference into this joint proxy statement/prospectus.*

**Because the exchange ratio is fixed and the market price of Aetna common shares has fluctuated and will continue to fluctuate, Humana stockholders cannot be sure of the value of the merger consideration they will receive in the merger.**

Upon completion of the merger, each share of Humana common stock outstanding immediately prior to the merger (other than those held by Humana as treasury stock, by Aetna or by any subsidiary of Humana or Aetna or with respect to which appraisal rights have been properly exercised in accordance with the DGCL) will be converted into the right to receive \$125.00 in cash, without interest, and 0.8375 of an Aetna common share. Because the exchange ratio of 0.8375 of an Aetna common share is fixed, the value of the stock portion of the merger consideration will depend on the market price of Aetna common shares at the time the merger is completed. The market price of Aetna common shares has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the date of the Humana special meeting and the date the merger is completed, which could occur a considerable amount of time after the date of the Humana special meeting, and thereafter. Accordingly, at the time of the Humana special meeting, Humana stockholders will not know or be able to determine the market value of the merger consideration they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in Aetna's and Humana's respective businesses, operations and prospects, market assessments of the likelihood that the merger will be completed, the timing of the merger and regulatory considerations. Many of these factors are beyond Aetna's and Humana's control. Aetna shareholders and Humana stockholders are urged to obtain current market quotations for Aetna common shares in deciding whether to vote for the stock issuance or the adoption of the merger agreement, as applicable.

**The market price of Aetna common shares after the merger may be affected by factors different from those that are currently affecting or historically have affected the market price of shares of Humana common stock.**

Upon completion of the merger, holders of Humana common stock will become holders of Aetna common shares. The businesses of Aetna differ from those of Humana in important respects and, accordingly, the results of operations of Aetna after the merger, as well as the market price of Aetna common shares, may be affected by factors different from those that are currently affecting or historically have affected the results of operations of Humana as a stand-alone public company, as well as the market price of shares of Humana common stock. For further information on the respective businesses of Aetna and Humana and certain factors to consider in connection with those businesses, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 229 of this joint proxy statement/prospectus.



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**After completion of the mergers, Aetna may fail to realize the anticipated benefits and cost savings of the mergers, which could adversely affect the value of Aetna common shares.**

The success of the mergers will depend, in part, on Aetna's ability to realize the anticipated benefits and cost savings from combining the businesses of Aetna and Humana. Aetna's ability to realize these anticipated benefits and cost savings is subject to certain risks including:

Aetna's ability to successfully combine the businesses of Aetna and Humana, including with respect to systems and technology integration;

whether the combined businesses will perform as expected;

the possibility that Aetna paid more for Humana than the value it will derive from the acquisition;

the reduction of Aetna's cash available for operations and other uses and the incurrence of indebtedness to finance the acquisition; and

the assumption of known and unknown liabilities of Humana.

If Aetna is not able to successfully combine the businesses of Aetna and Humana within the anticipated time frame, or at all, the anticipated cost savings and other benefits of the mergers may not be realized fully or at all or may take longer to realize than expected, the combined businesses may not perform as expected and the value of the Aetna common shares may be adversely affected.

Aetna and Humana have operated and, until completion of the mergers will continue to operate, independently, and there can be no assurances that their businesses can be integrated successfully. It is possible that the integration process could result in the loss of key Aetna or Humana employees, the disruption of either company's or both companies' ongoing businesses or in unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Specifically, issues that must be addressed in integrating the operations of Humana and Aetna in order to realize the anticipated benefits of the mergers so the combined business performs as expected include, among other things:

combining the companies' sales, claims and call operations, network administration and corporate functions;

integrating the companies' technologies, products and services;

identifying and eliminating redundant and underperforming operations and assets;

harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;

addressing possible differences in business backgrounds, corporate cultures and management philosophies;

consolidating the companies' corporate, administrative and information technology infrastructure;

coordinating sales, distribution and marketing efforts;

managing the movement of certain businesses and positions to different locations;

maintaining existing agreements with customers, providers and vendors and avoiding delays in entering into new agreements with prospective customers, providers and vendors;

coordinating geographically dispersed organizations; and

consolidating offices of Humana and Aetna that are currently in or near the same location.

In addition, at times, the attention of certain members of each company's management and resources may be focused on completion of the mergers and the integration of the businesses of the two companies and diverted



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from day-to-day business operations, which may disrupt each company's ongoing business and the business of the combined company.

**Aetna and Humana may have difficulty attracting, motivating and retaining executives and other key employees in light of the mergers.**

Uncertainty about the effect of the mergers on Aetna and Humana employees may have an adverse effect on each of Aetna and Humana separately and consequently the combined business. This uncertainty may impair Aetna's and/or Humana's ability to attract, retain and motivate key personnel until the mergers are completed. Employee retention may be particularly challenging during the pendency of the mergers, as employees of Aetna and Humana may experience uncertainty about their future roles with the combined business. Additionally, Humana's officers and employees may hold shares of Humana common stock, as well as Humana stock options, Humana RSUs and Humana PSUs that are subject to accelerated vesting on a change in control, and, if the mergers are completed, these officers and employees may be entitled to the merger consideration in respect of such shares of Humana common stock, Humana RSUs, Humana PSUs and cash in respect of Humana stock options. These payouts could also make retention of these officers and employees more difficult. Additionally, pursuant to employment and/or change in control severance agreements with Humana, certain key employees of Humana are entitled to receive severance payments upon a termination without cause or a resignation for good reason following completion of the mergers. Under these agreements, a key Humana employee potentially could resign from his or her employment following specified circumstances set forth in his or her employment or change in control severance agreement, including an adverse change in his or her title, authority or responsibilities, compensation and benefits or primary office location. Furthermore, if key employees of Aetna or Humana depart or are at risk of departing, including because of issues relating to the uncertainty and difficulty of integration, financial security or a desire not to become employees of the combined business, Aetna may have to incur significant costs in retaining such individuals or in identifying, hiring and retaining replacements for departing employees, and Aetna's ability to realize the anticipated benefits of the mergers may be materially and adversely affected. See *Interests of Humana's Directors and Executive Officers in the Merger* beginning on page 188 of this joint proxy statement/prospectus.

**In order to complete the mergers, Aetna and Humana must obtain certain governmental authorizations, and if such authorizations are not granted or are granted with conditions that become applicable to the parties, completion of the mergers may be jeopardized or the anticipated benefits of the mergers could be reduced.**

Completion of the mergers is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act and certain other applicable laws or regulations and the required governmental authorizations having been obtained and being in full force and effect. Although Aetna and Humana have agreed in the merger agreement to use their reasonable best efforts, subject to certain limitations, to make certain governmental filings or obtain the required governmental authorizations, as the case may be, there can be no assurance that the relevant waiting periods will expire or authorizations will be obtained. In addition, the governmental authorities with or from which these authorizations are required have broad discretion in administering the governing regulations, and may take into account various facts and circumstances in their consideration of the mergers, including other pending consolidation in the managed care industry. As a condition to authorization of the mergers or related transactions, these governmental authorities may impose requirements, limitations or costs, require divestitures or place restrictions on the conduct of Aetna's business after completion of the mergers. Under the terms of the merger agreement, Aetna is not required, and Humana is not permitted without Aetna's consent, to take any actions or agree to any terms or conditions in connection with (i) the expiration or early termination of the waiting period relating to the merger under the HSR Act, (ii) any other antitrust law or (iii) the required governmental authorizations, in each case if such action, term or condition would have, or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect on Aetna or Humana. However, notwithstanding the provisions of the merger agreement, either

Aetna or Humana could become subject to terms or conditions in connection with such waiting periods, laws or

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other authorizations (whether because such term or condition does not rise to the specified level of materiality or Aetna otherwise consents to its imposition) the imposition of which could adversely affect Aetna's ability to integrate Humana's operations with Aetna's operations, reduce the anticipated benefits of the mergers or otherwise materially and adversely affect Aetna's business and results of operations after completion of the mergers. See The Merger Agreement Conditions to Completion of the Mergers and The Merger Agreement Reasonable Best Efforts Covenant beginning on pages 161 and 175, respectively, of this joint proxy statement/prospectus.

**In addition to receipt of certain governmental authorizations, completion of the mergers is subject to a number of other conditions, and if these conditions are not satisfied or waived, the mergers will not be completed.**

The obligations of Aetna and Humana to complete the mergers are subject to satisfaction or waiver of a number of conditions in addition to receipt of certain governmental authorizations, including, among other conditions: (i) adoption of the merger agreement by Humana stockholders at the Humana special meeting, (ii) approval of the stock issuance by Aetna shareholders at the Aetna special meeting, (iii) the absence of a material adverse effect on the other party (see The Merger Agreement Definition of Material Adverse Effect beginning on page 165 of this joint proxy statement/prospectus for the definition of material adverse effect) and (iv) in the case of Aetna, (A) CMS not having imposed any sanction involving suspension of marketing, enrollment and/or payment (other than civil monetary penalties that do not involve the suspension of payment) under any Medicare Advantage contract or Medicare Part D contract to which Humana is a party, (B) CMS not having terminated any Medicare Advantage contract or Medicare Part D contract to which Humana is a party and (C) Humana not having suspended enrollment or marketing under any Medicare Advantage contract or Medicare Part D contract to which Humana is a party, in each case which sanctions, terminations or suspensions, individually or in the aggregate, are, or would reasonably be expected to be, material and adverse to Humana. For a more complete summary of the conditions that must be satisfied or waived prior to completion of the mergers, see The Merger Agreement Conditions to Completion of the Mergers beginning on page 161 of this joint proxy statement/prospectus. There can be no assurance that the conditions to completion of the mergers will be satisfied or waived or that the mergers will be completed.

In addition, the Aetna special meeting and the Humana special meeting may take place before certain governmental authorizations have been obtained and, therefore, before the terms on which such governmental authorizations may be obtained, or the conditions to obtaining such governmental authorizations that may be imposed, are known. As a result, if Aetna shareholders approve the stock issuance at the Aetna special meeting, or Humana stockholders adopt the merger agreement at the Humana special meeting, Aetna and Humana may make decisions after the respective meetings to waive a condition as to the receipt of certain governmental authorizations or to take certain actions required to obtain such governmental authorizations without seeking further shareholder or stockholder approval, as applicable, and such actions could have an adverse effect on the combined company.

**Aetna's and Humana's business relationships may be subject to disruption due to uncertainty associated with the mergers.**

Parties with which Aetna or Humana does business may experience uncertainty associated with the mergers, including with respect to current or future business relationships with Aetna, Humana or the combined business. Aetna's and Humana's business relationships may be subject to disruption as customers, providers, vendors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than Aetna, Humana or the combined business. These disruptions could have a material and adverse effect on the businesses, financial condition, results of operations or prospects of the combined business, including a material and adverse effect on Aetna's ability to realize the anticipated benefits of the mergers. The risk and adverse effect of such disruptions could be exacerbated by a delay in completion of the mergers or termination of the merger agreement.



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**Certain of Humana's executive officers and directors have interests in the merger that may be different from your interests as a stockholder of Humana.**

When considering the recommendation of Humana's board of directors that Humana stockholders vote in favor of the adoption of the merger agreement, Humana stockholders should be aware that certain of the executive officers and directors of Humana have interests in the merger that may be different from, or in addition to, the interests of Humana stockholders generally. These include continued employment of certain executive officers of Humana, payment pursuant to certain equity awards and rights to continuing indemnification and directors' and officers' liability insurance. See *Interests of Humana's Directors and Executive Officers in the Merger* beginning on page 188 of this joint proxy statement/prospectus for a more detailed description of these interests. Humana's board of directors and Aetna's board of directors were aware of these interests and considered them, among other things, in evaluating and negotiating the merger agreement and the merger and in recommending that Humana stockholders adopt the merger agreement and that the Aetna shareholders approve the stock issuance, respectively.

**The merger agreement contains provisions that may make it more difficult for Aetna and Humana to pursue alternatives to the mergers.**

The merger agreement contains provisions that make it more difficult for Humana to sell its business to a party other than Aetna, or for Aetna to sell its business. These provisions include a general prohibition on each party soliciting any acquisition proposal. Further, there are only limited exceptions to each party's agreement that its board of directors will not withdraw or modify in a manner adverse to the other party the recommendation of its board of directors in favor of the adoption of the merger agreement, in the case of Humana, or the approval of the stock issuance, in the case of Aetna, and the other party generally has a right to match any acquisition proposal that may be made. However, at any time prior to the adoption of the merger agreement by Humana stockholders, in the case of Humana, or the approval of the stock issuance by Aetna shareholders, in the case of Aetna, such party's board of directors is permitted to take certain of these actions if it determines in good faith that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under applicable law. The merger agreement, however, also requires that each party submit the adoption of the merger agreement, in the case of Humana, and the approval of the stock issuance, in the case of Aetna, to a vote of its stockholders or shareholders, as applicable, even if such party's board of directors changes its recommendation in favor of the adoption of the merger agreement, in the case of Humana, or the approval of the stock issuance, in the case of Aetna, in a manner adverse to the other party. See *The Merger Agreement No Solicitation* and *The Merger Agreement Termination Fees and Expenses* beginning on pages 172 and 185, respectively, of this joint proxy statement/prospectus.

The parties believe these provisions are reasonable and not preclusive of other offers, but these restrictions might discourage a third party that has an interest in acquiring all or a significant part of either Humana or Aetna from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per-share value than the currently proposed merger consideration, in the case of Humana, or that party were prepared to enter into an agreement that may be favorable to Aetna or its shareholders, in the case of Aetna. Furthermore, the termination fees described below may result in a potential competing acquirer proposing to pay a lower per-share price to acquire the applicable party than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable by such party in certain circumstances.

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**Failure to complete the mergers could negatively impact the stock price and the future business and financial results of Aetna and Humana.**

If the mergers are not completed for any reason, including as a result of Humana stockholders failing to adopt the merger agreement or Aetna shareholders failing to approve the stock issuance, the ongoing businesses of Aetna and Humana may be materially and adversely affected and, without realizing any of the benefits of having completed the mergers, Aetna and Humana would be subject to a number of risks, including the following:

Aetna and Humana may experience negative reactions from the financial markets, including negative impacts on their respective stock and bond prices, and from their respective customers, providers, vendors, regulators and employees;

Humana may be required to pay Aetna a termination fee of \$1.314 billion if the merger agreement is terminated under certain circumstances, and Aetna may be required to pay Humana a termination fee of either \$1.691 billion or \$1 billion if the merger agreement is terminated under certain other circumstances (see The Merger Agreement Termination Fees and Expenses beginning on page 185 of this joint proxy statement/prospectus);

Aetna and Humana will be required to pay certain transaction expenses and other costs incurred in connection with the mergers, whether or not the mergers are completed;

the merger agreement places certain restrictions on the conduct of Humana's and Aetna's businesses prior to completion of the mergers. Such restrictions, the waiver of which is subject to the consent of the other party (in most cases, not to be unreasonably withheld, conditioned or delayed), may prevent Humana and Aetna from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the mergers that Humana or Aetna would have made, taken or pursued if these restrictions were not in place (see The Merger Agreement Conduct of Business Pending the Mergers beginning on page 167 of this joint proxy statement/prospectus for a description of the restrictive covenants applicable to Humana and Aetna); and

matters relating to the mergers (including integration planning) will require substantial commitments of time and resources by Aetna and Humana management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to either Aetna or Humana as an independent company.

There can be no assurance that the risks described above will not materialize. If any of those risks materialize, they may materially and adversely affect Aetna's and/or Humana's businesses, financial condition, financial results and/or stock and/or bond prices.

In addition, Aetna and Humana could be subject to litigation related to any failure to complete the mergers or related to any proceeding to specifically enforce Aetna or Humana to perform their respective obligations under the merger agreement. If the mergers are not completed, these risks may materialize and may materially and adversely affect Aetna's and/or Humana's businesses, financial condition, financial results and/or stock and/or bond prices.

**The Aetna common shares to be received by Humana stockholders upon completion of the merger will have different rights from shares of Humana common stock.**

Upon completion of the merger, Humana stockholders will no longer be stockholders of Humana, a Delaware corporation, but will instead become shareholders of Aetna, a Pennsylvania corporation, and their rights as Aetna shareholders will be governed by Pennsylvania law and the terms of Aetna's amended and restated articles of incorporation, which are referred to in this joint proxy statement/prospectus as Aetna's articles, and Aetna's amended and restated by-laws, which are referred to in this joint proxy statement/

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prospectus as Aetna's by-laws. Pennsylvania law and the terms of Aetna's articles and Aetna's by-laws are in some respects materially different than Delaware law and the terms of Humana's charter and by-laws, which currently govern the rights of Humana stockholders. See "Comparison of Stockholder Rights" beginning on page 208 of this joint proxy statement/prospectus for a discussion of the different rights associated with shares of Humana common stock and Aetna common shares.

**Current Aetna shareholders and Humana stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over the management of the combined company.**

Upon the completion of the merger, Aetna expects to issue up to approximately 127.0 million Aetna common shares to Humana stockholders in connection with the transactions contemplated by the merger agreement. As a result, it is expected that, immediately after completion of the merger, former Humana stockholders will own approximately 27% of the outstanding Aetna common shares. Consequently, current Aetna shareholders in the aggregate will have less influence over the management and policies of Aetna than they currently have over the management and policies of Aetna, and Humana stockholders in the aggregate will have less influence over the management and policies of Aetna than they currently have over the management and policies of Humana.

**Lawsuits have been filed and other lawsuits may be filed against Humana, Aetna and their respective boards of directors challenging the mergers. An adverse ruling in any such lawsuit may prevent the mergers from being completed.**

As of August 27, 2015, three putative class action complaints have been filed by purported Humana stockholders challenging the mergers, two in the Circuit Court of Jefferson County, Kentucky and one in the Court of Chancery of the State of Delaware. The complaints are captioned *Solak v. Broussard et al.*, Civ. Act. No. 15CI03374 (Kentucky state court), *Litwin v. Broussard et al.*, Civ. Act. No. 15CI04054 (Kentucky state court) and *Scott v. Humana Inc. et al.*, C.A. No. 11323-VCL (Delaware state court). The complaints name as defendants each member of Humana's board of directors, Aetna, Merger Subs and, in the case of the Delaware complaint, Humana. The complaints generally allege, among other things, that the individual members of Humana's board of directors breached their fiduciary duties owed to the stockholders of Humana by entering into the merger agreement, approving the mergers, and failing to take steps to maximize the value of Humana to its stockholders, and that Aetna, Merger Subs and, in the case of the Delaware complaint, Humana aided and abetted such breaches of fiduciary duties. In addition, the complaints allege that the merger undervalues Humana, that the process leading up to the execution of the merger agreement was flawed, that the members of Humana's board of directors improperly placed their own financial interests ahead of those of Humana's stockholders, and that certain provisions of the merger agreement improperly favor Aetna and impede a potential alternative transaction. Among other remedies, the complaints seek equitable relief rescinding the merger agreement and enjoining the defendants from completing the mergers as well as costs and attorneys' fees. On August 20, 2015, the parties in the Kentucky state cases filed a stipulation and proposed order with the court to consolidate those cases into a single action captioned *In re Humana Inc. Shareholder Litigation*, Civ. Act. No. 15CI03374. Defendants believe that the complaints are entirely without merit.

See "Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Litigation Relating to the Mergers" beginning on page 152 of this joint proxy statement/prospectus for more information about litigation related to the mergers that has been commenced prior to the date of this joint proxy statement/prospectus. There can be no assurance that additional complaints will not be filed with respect to the mergers.

One of the conditions to completion of the mergers is the absence of any applicable law (including any order) being in effect that prohibits completion of the mergers. Accordingly, if a plaintiff is successful in obtaining an order



prohibiting completion of the mergers, then such order may prevent the mergers from being completed, or from being completed within the expected timeframe.

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**The indebtedness of Aetna following completion of the mergers will be substantially greater than Aetna's indebtedness on a stand-alone basis and greater than the combined indebtedness of Aetna and Humana existing prior to the mergers. This increased level of indebtedness could adversely affect Aetna, including by decreasing Aetna's business flexibility, and will increase its borrowing costs. Downgrades in Aetna's ratings could adversely affect Aetna's businesses, cash flows, financial condition and operating results.**

Upon completion of the mergers, Aetna expects to have incurred acquisition-related debt financing of approximately \$16.2 billion and assume Humana's existing indebtedness of approximately \$3.8 billion. Aetna's substantially increased indebtedness and higher debt-to-equity ratio following completion of the mergers in comparison to that of Aetna prior to the mergers will have the effect, among other things, of reducing Aetna's flexibility to respond to changing business and economic conditions and will increase Aetna's borrowing costs. In addition, the amount of cash required to service Aetna's increased indebtedness levels and thus the demands on Aetna's cash resources will be greater than the amount of cash flows required to service the indebtedness of Aetna or Humana individually prior to the mergers. The increased levels of indebtedness could also reduce funds available for Aetna's investments in product development as well as capital expenditures, share repurchases and other activities and may create competitive disadvantages for Aetna relative to other companies with lower debt levels.

In addition, Aetna's credit ratings impact the cost and availability of future borrowings, and, as a result, Aetna's cost of capital. Aetna's ratings reflect each rating organization's opinion of Aetna's financial strength, operating performance and ability to meet Aetna's debt obligations or obligations to Aetna's insureds. Each of the ratings organizations reviews Aetna's ratings periodically, and there can be no assurance that Aetna's current ratings will be maintained in the future. Following the announcement of the mergers, each of Standard & Poor's, A.M. Best, Fitch and Moody's placed certain of Aetna's debt, financial strength and other credit ratings under review for a possible downgrade. Downgrades in Aetna's ratings could adversely affect Aetna's businesses, cash flows, financial condition and operating results.

**Aetna will incur significant transaction and integration-related costs in connection with the mergers.**

Aetna expects to incur a number of non-recurring costs associated with the mergers and combining the operations of the two companies. Aetna will incur significant transaction costs related to the mergers. Aetna also will incur significant integration-related fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. Aetna continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the mergers and the integration of the two companies' businesses. Although Aetna expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Aetna to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

**The mergers may not be accretive, and may be dilutive, to Aetna's operating earnings per share, which may negatively affect the market price of Aetna common shares.**

Aetna currently projects that the mergers will be neutral to operating earnings per share during 2016, excluding transaction and integration-related costs. This projection is based on preliminary estimates that may materially change. In addition, future events and conditions could decrease or delay the accretion that is currently projected or could result in dilution, including adverse changes in market conditions, additional transaction and integration-related costs and other factors such as the failure to realize some or all of the anticipated benefits of the mergers. Any dilution of, decrease in or delay of any accretion to, Aetna's earnings per share could cause the price of Aetna common shares to decline or grow at a reduced rate.



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**The opinions obtained by each of Aetna's and Humana's board of directors from their respective financial advisors do not and will not reflect changes in circumstances subsequent to the date of such opinions.**

On July 2, 2015, Goldman Sachs delivered its opinion to Humana's board of directors that, as of July 2, 2015, and based on and subject to the qualifications, limitations and assumptions set forth in that opinion, the merger consideration paid to Humana stockholders (other than Aetna and its affiliates) pursuant to the merger agreement was fair, from a financial point of view, to such holders. Separately, on July 2, 2015, Citi and Lazard each delivered an opinion to Aetna's board of directors that, as of July 2, 2015, based on and subject to the qualifications, limitations and assumptions set forth in their respective opinions, the merger consideration to be paid by Aetna pursuant to the merger agreement is fair, from a financial view, to Aetna. Aetna and Humana have not obtained, and will not obtain, updated opinions from their respective financial advisors. None of Goldman Sachs', Citi's and Lazard's opinions speak to the time when the mergers will be completed or to any date other than the date of such opinion. As a result, the opinions do not and will not address the fairness, from a financial point of view, of the merger consideration to be received by Humana stockholders pursuant to the merger agreement at the time the mergers are completed or at any time other than July 2, 2015, or the fairness, from a financial point of view, of the merger consideration to be paid by Aetna pursuant to the merger agreement at the time the mergers are completed or at any time other than July 2, 2015. For a more complete description of the respective opinions rendered by Goldman Sachs, Citi and Lazard see Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Opinion of Humana's Financial Advisor and Opinions of Aetna's Financial Advisors beginning on pages 113 and 120, respectively, of this joint proxy statement/prospectus and the full text of the opinions contained in Annexes C, D and E to this joint proxy statement/prospectus, respectively.

**The unaudited pro forma combined financial information and prospective financial information included in this joint proxy statement/prospectus is presented for illustrative purposes only and does not represent the actual financial position or results of operations of the combined company following the completion of the mergers or reflect the effect of any divestitures that may be required in connection with the mergers.**

The unaudited pro forma combined financial information and prospective financial information contained in this joint proxy statement/prospectus is presented for illustrative purposes only, contains a variety of adjustments, assumptions and preliminary estimates and does not represent the actual financial position or results of operations of Aetna and Humana prior to the mergers or that of the combined company following the mergers for several reasons. Specifically, the unaudited pro forma combined financial information does not reflect the effect of any potential divestitures that may occur prior to or subsequent to the completion of the mergers or Aetna's projected reduction of its debt to capitalization ratio following the completion of the mergers. See the sections entitled Aetna and Humana Unaudited Pro Forma Condensed Combined Financial Information, Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Unaudited Prospective Financial Information and Comparative Historical and Unaudited Pro Forma Combined Per Share Data beginning on pages 44, 138 and 42, respectively, of this joint proxy statement/prospectus. The actual financial positions and results of operations of Humana and Aetna prior to the mergers and that of the combined company following the mergers may not be consistent with, or evident from, the unaudited pro-forma combined financial information or prospective financial information included in this joint proxy statement/prospectus. In addition, the assumptions used in preparing the unaudited pro forma combined financial information and prospective financial information included in this joint proxy statement/prospectus may not prove to be accurate and may be affected by other factors. Any significant changes in the market price of Aetna common shares may cause a significant change in the purchase price used for Aetna's accounting purposes and the pro forma financial information contained in this joint proxy statement/prospectus.

**Risks relating to Aetna and Humana.**

Aetna and Humana are, and following completion of the mergers Aetna will continue to be, subject to the risks described in (i) Part I, Item 1A in Aetna's Annual Report on Form 10-K for the year ended December 31,

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2014, and filed with the SEC on February 27, 2015, (ii) Part II, Item 1A in Aetna's Quarterly Report on Form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015, filed with the SEC on April 28, 2015, and August 4, 2015, respectively, (iii) Part I, Item 1A in Humana's Annual Report on Form 10-K for the year ended December 31, 2014 and filed with the SEC on February 18, 2015, (iv) Part II, Item 1A in Humana's Quarterly Report on Form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015, filed with the SEC on April 29, 2015 and July 29, 2015, respectively, in each case, incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 229 of this joint proxy statement/prospectus.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Aetna and Humana have included in this joint proxy statement/prospectus certain statements that may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (which is referred to in this joint proxy statement/prospectus as the Securities Act), and Section 21E of the Exchange Act. In addition, the management of Aetna or Humana may make forward-looking statements to analysts, investors, representatives of the media and others. You can generally identify forward-looking statements by the use of forward-looking terminology such as anticipate, believe, continue, can, could, estimate, expect, explore, forecast, guidance, intend, likely, may, might, outlook, plan, potential, predict, probable, project, or will, or the negatives thereof or other variations thereon or comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond Aetna's and Humana's control. Statements in this joint proxy statement/prospectus that are forward-looking, including Aetna's and Humana's projections as to the anticipated benefits of the mergers, increased membership as a result of the mergers, the impact of the mergers on Aetna's and Humana's businesses and share of revenues from government business, the methods Aetna will use to finance the cash component of the merger consideration, the impact of the mergers on Aetna's operating earnings per share, earnings before interest, taxes, depreciation and amortization (EBITDA), revenues and cash flows, the synergies from the mergers and the date the mergers will be completed, the number of Aetna common shares to be issued pursuant to the merger, Aetna's and Humana's acquisition-related transaction costs and Aetna's restructuring and integration-related costs and charges, and the estimates and assumptions underlying the pro forma financial information contained in this joint proxy statement/prospectus are based on management's estimates, assumptions and projections, and are subject to significant uncertainties and other factors, many of which are beyond Aetna's and Humana's control.

In addition to the risks described under Risk Factors beginning on page 61 of this joint proxy statement/prospectus and those risks described in any documents that are incorporated by reference into this joint proxy statement/prospectus, the following factors, among others, could cause actual future results and other future events to differ materially from those currently estimated by management, including, but not limited to:

the timing to complete the mergers;

the risk that a condition to completion of the mergers may not be satisfied;

the risk that a regulatory approval that may be required for the merger is delayed, is not obtained or is obtained subject to conditions that are not anticipated;

Aetna's ability to achieve the synergies and value creation projected to be realized following completion of the merger;

Aetna's ability to promptly and effectively integrate Humana's businesses;

the diversion of management time on merger-related issues;

unanticipated increases in medical costs, including due to:

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 as a result of provider consolidation and/or integration); and

increased pharmacy costs, including specialty prescription drugs, whether in Aetna's and Humana's health insurance exchange products or otherwise;

the introduction of new or costly treatments, including new technologies;



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the profitability of Aetna's and Humana's public health insurance exchange products, where Aetna membership is higher than Aetna projects and where members may have more adverse health status and/or higher medical benefit utilization than Aetna and/or Humana projected;

uncertainty related to Aetna's and Humana's accruals for health care reform's reinsurance, risk adjustment and risk corridor programs, which are referred to in this joint proxy statement/prospectus as the 3R's;

the implementation of health care reform legislation, including collection of health care reform fees, 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 (including those relating to minimum medical loss ratio rebates);

the implementation of health insurance exchanges;

Aetna's and Humana's ability to offset Medicare Advantage and prescription drug plan rate pressures;

competitive rate pressures in commercial markets; and

changes in Aetna's and Humana's future cash requirements, capital requirements, results of operations, financial condition and/or cash flows.

You should not put undue reliance on forward-looking statements. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, what impact they will have on the results of operations, financial condition or cash flows of Aetna or Humana. Actual results may differ materially from those discussed in this joint proxy statement/prospectus. All forward-looking statements speak only as of the date of this joint proxy statement/prospectus. Neither Aetna nor Humana assumes any duty to update or revise forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise, as of any future date.

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**THE COMPANIES**

**Aetna Inc.**

Aetna was incorporated in the Commonwealth of Pennsylvania in 1982. Aetna, together with its subsidiaries, is one of the nation's leading diversified health care benefits companies, serving an estimated 46.7 million people as of June 30, 2015, with information and resources to help them in consultation with their health care professionals 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, medical management capabilities, Medicaid health care management services, Medicare Advantage and Medicare supplement plans, workers' compensation administrative services and health information technology products and services, such as Accountable Care Solutions. Aetna's customers include employer groups, individuals, college students, part-time and hourly workers, health plans, health care providers, governmental units, government-sponsored plans, labor groups and expatriates.

The principal trading market for Aetna common shares (NYSE: AET) is the NYSE. The principal executive offices of Aetna are located at 151 Farmington Avenue, Hartford, CT 06156; its telephone number is (860) 273-0123; and its website is [www.aetna.com](http://www.aetna.com). Information on Aetna's Internet website is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Aetna from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see "Where You Can Find More Information" beginning on page 229 of this joint proxy statement/prospectus.

**Humana Inc.**

Humana was incorporated in the State of Delaware in 1964. Headquartered in Louisville, Kentucky, Humana is a leading health and well-being company focused on making it easy for people to achieve their best health with clinical excellence through coordinated care. Humana's strategy integrates care delivery, the member experience, and clinical and consumer insights to encourage engagement, behavior change, proactive clinical outreach and wellness for the millions of people it serves across the country. As of June 30, 2015, Humana had approximately 14.2 million members in its medical benefit plans, including 2.7 million individual Medicare Advantage members, as well as approximately 7.4 million members in its specialty products. During 2014, 73% of Humana's total premiums and services revenue were derived from contracts with the federal government, including 15% derived from its individual Medicare Advantage contracts in Florida with CMS.

The principal trading market for Humana common stock (NYSE: HUM) is the NYSE. The principal executive offices of Humana are located at 500 West Main Street, Louisville, Kentucky 40202; its telephone number is (502) 580-1000; and its website is [www.humana.com](http://www.humana.com). Information on Humana's Internet web site is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Humana from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see "Where You Can Find More Information" beginning on page 229 of this joint proxy statement/prospectus.

**Merger Sub 1**

Merger Sub 1 was incorporated in the State of Delaware on June 26, 2015, and is a wholly owned subsidiary of Aetna. Merger Sub 1 was formed solely for the purpose of completing the mergers. Merger Sub 1 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the mergers.

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The principal executive offices of Merger Sub 1 are located at 151 Farmington Avenue, Hartford, CT 06156; and its telephone number is (860) 273-0123.

**Merger Sub 2**

Merger Sub 2 was formed in the State of Delaware on June 26, 2015, and is a wholly owned subsidiary of Aetna. Merger Sub 2 was formed solely for the purpose of completing the subsequent merger. Merger Sub 2 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the mergers.

The principal executive offices of Merger Sub 2 are located at 151 Farmington Avenue, Hartford, CT 06156; and its telephone number is (860) 273-0123.

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**SPECIAL MEETING OF SHAREHOLDERS OF AETNA**

**Aetna is providing this joint proxy statement/prospectus to its shareholders in connection with the solicitation of proxies to be voted at the Aetna special meeting of shareholders (or any adjournment or postponement of the Aetna special meeting) that Aetna has called to consider and vote on a proposal to approve the stock issuance and a proposal to adjourn the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient proxies to approve the stock issuance at the time of the Aetna special meeting.**

**Date, Time and Location**

Together with this joint proxy statement/prospectus, Aetna is also sending Aetna shareholders a notice of the Aetna special meeting and a form of proxy card that is solicited by Aetna's board of directors for use at the Aetna special meeting to be held on October 19, 2015, at the Hilton Garden Inn located at 85 Glastonbury Blvd., Glastonbury, Connecticut 06033, at 1:30 p.m., Eastern Time, and any adjournments or postponements of the Aetna special meeting.

Only shareholders or their proxy holders may attend the Aetna special meeting. If you hold shares in your name at the record date (the close of business on September 16, 2015) and plan to attend the Aetna special meeting, because of security procedures, you will need to obtain an admission ticket in advance. In addition to obtaining an admission ticket in advance, you will be required to provide valid government-issued photo identification (e.g., a driver's license or a passport) to be admitted to the Aetna special meeting. You may apply for an admission ticket by mail to Office of the Corporate Secretary, 151 Farmington Avenue, RW61, Hartford, CT 06156 or by facsimile to (860) 293-1361. Ticket requests will not be accepted by phone or email. Aetna's Corporate Secretary must receive your request for an admission ticket on or before October 13, 2015.

If you are a beneficial owner of Aetna common shares held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on September 16, 2015), and you plan to attend the Aetna special meeting, in addition to following the security procedures described above, you will also need proof of beneficial ownership at the record date to obtain your admission ticket to the Aetna special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your Aetna common shares held in street name in person at the Aetna special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record that holds your shares.

**Purpose**

At the Aetna special meeting, Aetna shareholders will be asked to consider and vote on the following proposals:

to approve the stock issuance; and

to approve the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the special meeting.

Under Aetna's by-laws, the business to be conducted at the Aetna special meeting will be limited to the proposals set forth in the notice to Aetna shareholders provided with this joint proxy statement/prospectus.

**Recommendations of the Aetna Board of Directors**

Aetna's board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the stock issuance, are advisable and fair to and in the best interests of Aetna shareholders. Aetna's board of directors unanimously recommends that Aetna shareholders vote **FOR** the stock issuance. Aetna's board of directors further unanimously recommends that Aetna shareholders vote **FOR** the adjournment of the Aetna special meeting if necessary to solicit additional

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proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting. See Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Aetna's Reasons for the Merger; Recommendation of the Aetna Board of Directors that Shareholders Approve the Stock Issuance beginning on page 109 of this joint proxy statement/prospectus for a more detailed discussion of the recommendation of Aetna's board of directors that Aetna shareholders approve the stock issuance.

### **Aetna Record Date; Outstanding Shares; Shareholders Entitled to Vote**

Aetna's board of directors has fixed the close of business on September 16, 2015, as the record date for determination of the Aetna shareholders entitled to vote at the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. Only Aetna shareholders of record at the record date are entitled to receive notice of, and to vote at, the Aetna special meeting or any adjournment or postponement of the Aetna special meeting. As of the close of business on August 25, 2015, the most recent practicable date for which such information was available, there were 348,688,145 Aetna common shares outstanding and entitled to vote at the Aetna special meeting, held by approximately 7,025 holders of record. The number of Aetna common shares outstanding as of the record date is not expected to be meaningfully different from the number as of August 25, 2015.

### **Quorum**

The presence at the Aetna special meeting, in person or by proxy, of the holders of a majority of the outstanding Aetna common shares at the record date (the close of business on September 16, 2015) will constitute a quorum. Abstentions will be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. Aetna common shares held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record, and Aetna common shares with respect to which the beneficial owner otherwise fails to vote, will not be deemed present at the Aetna special meeting for the purpose of determining the presence of a quorum. There must be a quorum for the vote on the share issuance to be taken at the Aetna special meeting. Failure of a quorum to be present at the Aetna special meeting will necessitate an adjournment of the meeting and will subject Aetna to additional expense.

Pursuant to Pennsylvania law, if the Aetna special meeting is adjourned for one or more periods aggregating at least 15 days due to the absence of a quorum, Aetna shareholders who are entitled to vote and who attend (including by proxy) the adjourned meeting, even though they do not constitute a quorum as described in the preceding paragraph, will constitute a quorum for the purpose of acting on any matter described in this joint proxy statement/prospectus.

### **Required Vote**

Assuming a quorum is present, approval of the stock issuance requires the affirmative vote of a majority of the votes cast at the Aetna special meeting by holders of Aetna common shares. **Aetna cannot complete the merger unless its shareholders approve the stock issuance.** Under the current rules and interpretive guidance of the NYSE, votes cast on the stock issuance consist of votes for or against as well as abstentions. As a result, an Aetna shareholder's abstention from voting on the stock issuance will have the same effect as a vote **AGAINST** the proposal. The failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or an Aetna shareholder's other failure to vote will have no effect on the outcome of any vote to approve the stock issuance because these failures to vote are not considered votes cast.

Approval of the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting, whether or not a quorum, as

defined under Pennsylvania law, is present, requires the affirmative vote of a majority of the votes



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cast at the Aetna special meeting by Aetna shareholders. For purposes of the adjournment proposal, votes cast means votes for or against the proposal. As a result, an Aetna shareholder's abstention from voting on the adjournment proposal, the failure of an Aetna shareholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or an Aetna shareholder's other failure to vote will have no effect on the outcome of any vote to adjourn the Aetna special meeting.

**Share Ownership of and Voting by Aetna Directors and Executive Officers**

At the close of business on August 25, 2015, the most recent practicable date for which such information was available, Aetna's directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate 1,207,079 Aetna common shares, which represents 0.35% of the Aetna common shares entitled to vote as of that date. The number of Aetna common shares which Aetna's directors and executive officers and their affiliates will beneficially own as of the record date (the close of business on September 16, 2015) is not expected to be meaningfully different from the number as of August 25, 2015.

It is expected that Aetna's directors and executive officers and their affiliates will vote their shares **FOR** the stock issuance and **FOR** the adjournment of the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting, although none of them has entered into any agreement requiring them to do so.

**Voting of Shares**

***Via the Internet or by Telephone***

If you hold Aetna common shares directly in your name as a shareholder of record, you may vote via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by telephone by calling (800) 690-6903 toll-free. In order to vote your shares via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each Aetna shareholder to ensure all voting instructions are genuine and to prevent duplicate voting). Votes may be submitted via the Internet or by telephone, 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on October 18, 2015.

If you hold Aetna common shares in street name through a broker, bank or other nominee holder of record, you may provide voting instructions via the Internet or by telephone only if Internet or telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

***By Mail***

If you hold Aetna common shares directly in your name as a shareholder of record, in order to vote by mail, you may submit a proxy card. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge must receive your proxy card no later than the close of business on October 18, 2015.

If you hold Aetna common shares in street name through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record and return it in the postage-paid return envelope provided. Your

broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

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If you hold Aetna common shares directly in your name as a shareholder of record, you may vote in person at the Aetna special meeting. Shareholders of record also may be represented by another person at the Aetna special meeting by executing a proper proxy designating that person.

When a shareholder of record submits a proxy via the Internet or by telephone, his or her proxy is recorded immediately. You are encouraged to register your vote via the Internet or telephone whenever possible. If you submit a proxy via the Internet or by telephone, please do not return your proxy card by mail. If you attend the meeting, you may also vote in person. Any votes that you previously submitted whether via the Internet, by telephone or by mail will be revoked and superseded by any vote that you cast at the Aetna special meeting. Your attendance at the Aetna special meeting alone will not revoke any proxy previously given.

If you hold Aetna common shares in street name through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the judge of election with your ballot to be able to vote in person at the Aetna special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record.

If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold Aetna common shares in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, both proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus are considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on either proposal. A beneficial owner's failure to instruct the broker, bank or other nominee holder of record how to vote shares held in street name will have no effect on the approval of the proposal to approve the stock issuance or the proposal to adjourn the Aetna special meeting if necessary.

Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker, bank or other nominee holder of record does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the proposals described in this joint proxy statement/prospectus, if a beneficial owner of Aetna common shares held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the special meeting. As a result, there will not be any broker non-votes in connection with either of the proposals to be considered at the Aetna special meeting as described in this joint proxy statement/prospectus.

All shares represented by each properly completed and valid proxy received before or at the Aetna special meeting will be voted in accordance with the instructions given in the proxy. If an Aetna shareholder signs a proxy card and returns it without giving instructions for the voting on any proposal, the Aetna common shares represented by that proxy card will be voted **FOR** the stock issuance and **FOR** the adjournment of the Aetna special meeting if necessary.

to solicit additional proxies if there are not sufficient votes to approve the stock issuance at the time of the Aetna special meeting.

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**Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the Aetna special meeting in person, please vote or otherwise submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Aetna special meeting. If your shares are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.**

**Revocability of Proxies; Changing Your Vote**

You may revoke your proxy or change your vote at any time before the closing of the polls at the Aetna special meeting. If you are a shareholder of record at the record date (the close of business on September 16, 2015), you can revoke your proxy or change your vote by:

    sending a signed notice stating that you revoke your proxy to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood, NY 11717 or by fax at 1-515-254-7733 that bears a date later than the date of the proxy you want to revoke and is received before 11:59 p.m. (Eastern Time) on October 18, 2015;

    submitting a valid, later-dated proxy via the Internet or telephone before 11:59 p.m. (Eastern Time) on October 18, 2015, or by mail that is received before 11:59 p.m. (Eastern Time) on October 18, 2015; or

    attending the Aetna special meeting (or, if the Aetna special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which automatically will cancel any proxy previously given, or revoking your proxy in person, but your attendance at the Aetna special meeting alone will not revoke any proxy previously given.

If you hold your shares in street name through a broker, bank or other nominee holder of record, you must contact your broker, bank or other nominee holder of record to change your vote or obtain a written legal proxy to vote your shares if you wish to cast your vote in person at the Aetna special meeting.

**Solicitation of Proxies; Expenses of Solicitation**

This joint proxy statement/prospectus is being provided to holders of Aetna common shares in connection with the solicitation of proxies by Aetna's board of directors to be voted at the Aetna special meeting and at any adjournments or postponements of the Aetna special meeting. Aetna will bear all costs and expenses in connection with the solicitation of proxies, including the costs of filing, printing and mailing this joint proxy statement/prospectus for the Aetna special meeting. Aetna has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Aetna special meeting and will pay MacKenzie Partners, Inc. a fee of approximately \$50,000, plus reimbursement of reasonable out-of-pocket expenses.

In addition to solicitation by mail, directors, officers and employees of Aetna or its subsidiaries may solicit proxies from shareholders by telephone, telegram, email, personal interview or other means. Aetna currently expects not to incur any costs beyond those customarily expended for a solicitation of proxies in connection with approval of an issuance of common shares. Directors, officers and employees of Aetna will not receive additional compensation for their solicitation activities, but may be reimbursed for reasonable out-of-pocket expenses incurred by them in connection with the solicitation. Brokers, dealers, commercial banks, trust companies, fiduciaries, custodians and

other nominees have been requested to forward proxy solicitation materials to their customers, and such nominees will be reimbursed for their reasonable out-of-pocket expenses.

### **Householding**

The SEC has adopted a rule concerning the delivery of annual reports and proxy statements. It permits Aetna, with your permission, to send a single notice of meeting and, to the extent requested, a single copy of this joint proxy statement/prospectus to any household at which two or more shareholders reside if they appear to be

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members of the same family. This rule is called householding, and its purpose is to help reduce printing and mailing costs of proxy materials. Aetna does not currently household for registered shareholders, but plans to begin doing so in 2016.

A number of brokerage firms have instituted householding for shares held in street name. If you and members of your household have multiple accounts holding Aetna common shares, you may have received a householding notification from your broker. Please contact your broker directly if you have questions, require additional copies of this joint proxy statement/prospectus or wish to revoke your decision to household. These options are available to you at any time.

## **Adjournment**

Aetna shareholders are being asked to approve a proposal that will give Aetna's board of directors authority to adjourn the Aetna special meeting one or more times for the purpose of soliciting additional proxies in favor of the approval of the stock issuance if there are not sufficient votes at the time of the Aetna special meeting to approve the stock issuance. If this proposal is approved, the Aetna special meeting could be adjourned to any date. In addition, Aetna's board of directors, with or without shareholder approval, could postpone the meeting before it commences, whether for the purpose of soliciting additional proxies or for other reasons. If the Aetna special meeting is adjourned for the purpose of soliciting additional proxies, shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the approval of the stock issuance but do not indicate a choice on the adjournment proposal, your shares will be voted in favor of the adjournment proposal. But if you indicate that you wish to vote against the approval of the stock issuance, your shares will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal. Pursuant to Pennsylvania law, if the Aetna special meeting is adjourned for one or more periods aggregating at least 15 days due to the absence of a quorum, Aetna shareholders who are entitled to vote and who attend (including by proxy) the adjourned meeting, even though they do not constitute a quorum, will constitute a quorum for the purpose of acting on any matter described in this joint proxy statement/prospectus.

## **Other Information**

The matters to be considered at the Aetna special meeting are of great importance to the shareholders of Aetna. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by reference into this joint proxy statement/prospectus and submit your proxy via the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope. **If you submit your proxy via the Internet or by telephone, you do not need to return the enclosed proxy card.**

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**Assistance**

**If you need assistance in completing your proxy card or have questions regarding the Aetna special meeting, please contact:**

105 Madison Avenue

New York, NY 10016

Telephone (Toll-Free): (800) 322-2885

Telephone (Collect): (212) 929-5500

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

or

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

Attention: Investor Relations

Telephone: (860) 273-2402

Email: [investorrelations@aetna.com](mailto:investorrelations@aetna.com)



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**SPECIAL MEETING OF STOCKHOLDERS OF HUMANA**

**Humana is providing this joint proxy statement/prospectus to its stockholders in connection with the solicitation of proxies to be voted at the Humana special meeting of stockholders (or any adjournment or postponement of the Humana special meeting) that Humana has called to consider and vote on a proposal to adopt the merger agreement, a proposal to adjourn from time to time the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof and a proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.**

**Date, Time and Location**

Together with this joint proxy statement/prospectus, Humana is also sending Humana stockholders a notice of the Humana special meeting and a form of proxy card that is solicited by Humana's board of directors for use at the Humana special meeting to be held on October 19, 2015, at the offices of Fried Frank, Harris, Shriver & Jacobson LLP on the 36<sup>th</sup> floor of 375 Park Avenue, New York, New York 10152, and any adjournments or postponements of the Humana special meeting.

Only stockholders or their proxy holders may attend the Humana special meeting. If you hold shares in your name at the record date (the close of business on September 16, 2015) and plan to attend the Humana special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver's license or a passport) to be admitted to the Humana special meeting.

If you are a beneficial owner of Humana common stock held in street name by a broker, bank or other nominee holder of record at the record date (the close of business on September 16, 2015), in addition to proper identification, you will also need proof of beneficial ownership at the record date to be admitted to the Humana special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you want to vote your shares of Humana common stock held in street name in person at the Humana special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

**Purpose**

At the Humana special meeting, Humana stockholders will be asked to consider and vote on the following proposals:

to adopt the merger agreement;

to approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof; and

to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

Under Humana's by-laws, the business to be conducted at the Humana special meeting will be limited to the matters specified in the notice to Humana stockholders provided with this joint proxy statement/prospectus.

### **Recommendations of the Humana Board of Directors**

Humana's board of directors unanimously determined that the merger agreement, the merger, and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana stockholders. The Humana board of directors unanimously recommends that you vote **FOR** the proposal to

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adopt the merger agreement. The Humana board of directors further unanimously recommends that you vote **FOR** the proposal to approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof, and **FOR** the proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. See Humana Proposal I: Adoption of the Merger Agreement and Aetna Proposal I: Approval of the Stock Issuance Humana's Reasons for the Mergers; Recommendation of the Humana Board of Directors that Humana Stockholders Adopt the Merger Agreement beginning on page 104 of this joint proxy statement/prospectus for a more detailed discussion of the recommendation of Humana's board of directors that Humana stockholders adopt the merger agreement.

**Humana Record Date; Outstanding Shares; Stockholders Entitled to Vote**

The Humana board of directors has fixed the close of business on September 16, 2015, as the record date for determination of the Humana stockholders entitled to receive notice of, and vote at, the Humana special meeting or any adjournment or postponement of the Humana special meeting. As of the close of business on August 25, 2015, the most recent practicable date for which such information was available, there were 148,214,812 shares of Humana common stock outstanding and entitled to vote at the Humana special meeting, held by approximately 3,076 holders of record. The number of shares of Humana common stock outstanding as of the record date is not expected to be meaningfully different from the number as of August 25, 2015. A complete list of stockholders entitled to vote at the Humana special meeting will be available for a period of ten days prior to the Humana special meeting at the offices of Humana, located at 500 West Main Street, Louisville, Kentucky 40202, for inspection by any stockholder, for any purpose germane to the Humana special meeting, during usual business hours. The stockholder list also will be available at the Humana special meeting for examination by any stockholder present at the Humana special meeting.

**Quorum**

A quorum of stockholders at the Humana special meeting is required for Humana's stockholders to adopt the merger agreement or approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. The presence at the Humana special meeting, in person or by proxy, of the holders of record of a majority of the shares of Humana common stock issued and outstanding at the record date (the close of business on September 16, 2015) and entitled to vote will be necessary and sufficient to constitute a quorum at the Humana special meeting. Abstentions will be deemed present at the Humana special meeting for the purpose of determining the presence of a quorum. Shares of Humana common stock held in street name with respect to which the beneficial owner fails to give voting instructions to the broker, bank or other nominee holder of record and shares of Humana common stock with respect to any of the proposals to be voted upon at the special meeting or which the beneficial owner otherwise fails to vote will not be deemed present at the Humana special meeting for the purpose of determining the presence of a quorum. There must be a quorum for business to be conducted at the Humana special meeting. Failure of a quorum to be present at the Humana special meeting will necessitate an adjournment or postponement thereof and will subject Humana to additional expense.

**Required Vote**

Pursuant to Humana's charter, the affirmative vote of holders of at least three-fourths of the outstanding shares of Humana common stock entitled to vote thereon is required to adopt the merger agreement. Aetna may be deemed to be a related company of Humana under Article Eleventh of Humana's charter because one or more institutional stockholders of Humana who appear to beneficially own more than 5% of the outstanding shares of Humana common stock also appear to beneficially own 5% or more of the outstanding Aetna common shares. **Because adoption of the**

**merger agreement requires the affirmative vote of at least three-fourths of the outstanding shares of Humana common stock entitled to vote thereon, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name**

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**through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other nominee holder of record or a Humana stockholder's other failure to vote will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.**

To approve the adjournment from time to time of the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof (assuming a quorum is present), and to approve the non-binding advisory proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger, the affirmative vote of holders of a majority of the votes cast affirmatively or negatively on such proposal is required. If a quorum is not present, holders of a majority in interest of the stockholders entitled to vote present, in person or represented by proxy, at the Humana special meeting may adjourn the meeting until a quorum is present. Accordingly, a Humana stockholder's abstention from voting, the failure of a Humana stockholder who holds his or her shares in street name through a broker, bank or other nominee holder of record to give voting instructions to that broker, bank or other holder of record or a Humana stockholder's other failure to vote will have no effect on the outcome of any vote to adjourn the Humana special meeting (assuming a quorum is present) or any vote to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

However, if a quorum is not present, a Humana stockholder's abstention from voting (including, if a Humana stockholder holds his or her shares in street name and instructs a broker, bank or other holder of record to abstain from voting with respect to such Humana stockholder's shares of Humana common stock) will have the same effect as a vote AGAINST any vote to adjourn the Humana special meeting.

**Stock Ownership of and Voting by Humana Directors and Executive Officers**

At the close of business on August 25, 2015, the most recent practicable date for which such information was available, Humana's directors and executive officers and their affiliates beneficially owned and had the right to vote in the aggregate 351,175 shares of Humana common stock, which represents 0.24% of the shares of Humana common stock entitled to vote as of that date. The number of shares of Humana common stock which Humana's directors and executive officers and their affiliates will beneficially own as of the record date (the close of business on September 16, 2015) is not expected to be meaningfully different from the number as of August 25, 2015.

It is expected that Humana's directors and executive officers and their affiliates will vote their shares **FOR** the adoption of the merger agreement, **FOR** the proposal to adjourn from time to time the Humana special meeting if necessary and **FOR** the approval, on an advisory (non-binding) basis, of the proposal to approve compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger, although none of them has entered any agreement requiring them to do so.

**Voting of Shares**

***Via the Internet or by Telephone***

If you hold shares of Humana common stock directly in your name as a stockholder of record, you may submit a proxy to vote via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by telephone by calling (800) 690-6903 toll-free. In order to submit a proxy to vote via the Internet or by telephone, you will need the control number on your proxy card (which is unique to each Humana stockholder to ensure all voting instructions are genuine and to prevent duplicate voting). Proxies may be submitted via the Internet or by telephone 24 hours a day, seven days a week, and must be received by 11:59 p.m. (Eastern Time) on October 18, 2015.

If you hold shares of Humana common stock in street name through a broker, bank or other nominee holder of record, you may provide voting instructions via the Internet or by telephone only if Internet or

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telephone voting is made available by your broker, bank or other nominee holder of record. Please follow the voting instructions provided by your broker, bank or other nominee holder of record with these materials.

***By Mail***

If you hold shares of Humana common stock directly in your name as a stockholder of record, you may submit a proxy card to vote by mail. You will need to complete, sign and date your proxy card and return it using the postage-paid return envelope provided or return it to Vote Processing, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717. Broadridge must receive your proxy card no later than the close of business on October 18, 2015.

If you hold shares of Humana common stock in street name through a broker, bank or other nominee holder of record, in order to provide voting instructions by mail, you will need to complete, sign and date the voting instruction form provided by your broker, bank or other nominee holder of record and return it in the postage-paid return envelope provided. Your broker, bank or other nominee holder of record must receive your voting instruction form in sufficient time to vote your shares.

***In Person***

If you hold shares of Humana common stock directly in your name as a stockholder of record, you may vote in person at the Humana special meeting. Stockholders of record also may be represented by another person at the Humana special meeting by executing a proper proxy designating that person.

When a stockholder of record submits a proxy via the Internet or by telephone, his or her proxy is recorded immediately. You are encouraged to register your proxy via the Internet or telephone whenever possible. If you submit a proxy via the Internet or by telephone, please do not return your proxy card by mail. If you attend the meeting, you may also vote in person. Any proxies that you previously submitted whether via the Internet, by telephone or by mail will be superseded by any vote that you cast at the Humana special meeting.

If you hold shares of Humana common stock in street name through a broker, bank or other nominee holder of record, you must obtain a written legal proxy from that institution and present it to the inspector of elections with your ballot to be able to vote in person at the Humana special meeting. To request a legal proxy please contact your broker, bank or other nominee holder of record.

If your shares are held in an account at a broker, bank or other nominee holder of record (i.e., in street name), you must instruct the broker, bank or other nominee holder of record on how to vote your shares. Your broker, bank or other nominee holder of record will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee holder of record with this joint proxy statement/prospectus. Brokers, banks and other nominee holders of record who hold shares of Humana common stock in street name typically have the authority to vote in their discretion on routine proposals when they have not received instructions on how to vote from the beneficial owner. However, brokers, banks and other nominee holders of record typically are not allowed to exercise their voting discretion on matters that are non-routine without specific instructions on how to vote from the beneficial owner. Under the current rules of the NYSE, each of the three proposals to be considered at the Humana special meeting as described in this joint proxy statement/prospectus is considered non-routine. Therefore brokers, banks and other nominee holders of record do not have discretionary authority to vote on any of the three proposals. A beneficial owner's failure to instruct the broker, bank or other nominee holder of record how to vote shares held in street name will have the same effect as a vote **AGAINST** the adoption of the merger agreement. A beneficial owner's failure to instruct the broker, bank or other nominee holder of

record how to vote shares held in street name will have no effect on the approval of the proposal to adjourn from time to time the Humana special meeting (assuming a quorum is present), if necessary, or the proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.



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Broker non-votes are shares held by a broker, bank or other nominee holder of record that are present in person or represented by proxy at the special meeting, but with respect to which the broker, bank or other nominee holder of record is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker, bank or other nominee holder of record does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the three proposals described in this joint proxy statement/prospectus, if a beneficial owner of shares of Humana common stock held in street name does not give voting instructions to the broker, bank or other nominee holder of record, then those shares will not be present in person or represented by proxy at the special meeting. As a result, there will not be any broker non-votes in connection with any of the three proposals to be considered at the Humana special meeting as described in this joint proxy statement/prospectus.

All shares represented by each properly completed and valid proxy received before or at the Humana special meeting will be voted in accordance with the instructions given in the proxy. If a Humana stockholder signs a proxy card and returns it without giving instructions for the voting on any proposal, the shares of Humana common stock represented by that proxy card will be voted **FOR** the adoption of the merger agreement, **FOR** the proposal to approve the adjournment of the Humana special meeting, if necessary and **FOR** the proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger. **Humana stockholders should NOT send stock certificates with their proxy cards.**

**Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the Humana special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Humana special meeting. If your shares are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.**

**Revocability of Proxies; Changing Your Vote**

You may revoke your proxy or change your vote at any time before the closing of the polls at the Humana special meeting. If you are a stockholder of record at the record date (the close of business on September 16, 2015), you can revoke your proxy or change your vote by:

sending a signed notice stating that you revoke your proxy to Vote Processing, c/o Broadridge Financial Solutions, Inc. by mail at 51 Mercedes Way, Edgewood, NY 11717 that bears a date later than the date of the proxy you want to revoke and is received before 11:59 p.m. (Eastern Time) on October 18, 2015 or by fax at 1-515-254-7733;

submitting a valid, later-dated proxy via the Internet or by telephone before 11:59 p.m. (Eastern Time) on October 18, 2015, or by mail that is received before 11:59 p.m. (Eastern Time) on October 18, 2015; or

attending the Humana special meeting (or, if the Humana special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which automatically will cancel any proxy previously given, or revoking your proxy in person, but your attendance at the Humana special meeting alone will not revoke any proxy previously given.

If you hold your shares in street name through a broker, bank or other nominee holder of record, you must contact your broker, bank or other nominee holder of record to change your vote or obtain a written legal proxy to vote your shares if you wish to cast your vote in person at the Humana special meeting.

**Solicitation of Proxies; Expenses of Solicitation**

This joint proxy statement/prospectus is being provided to holders of Humana common stock in connection with the solicitation of proxies by Humana's board of directors to be voted at the Humana special meeting and at

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any adjournments or postponements of the Humana special meeting. Humana will bear all costs and expenses in connection with the solicitation of proxies, including the costs of filing, printing and mailing this joint proxy statement/prospectus for the Humana special meeting. Humana has engaged D.F. King to assist in the solicitation of proxies for the Humana special meeting and will pay D.F. King a fee of approximately \$20,000, plus reimbursement of reasonable out-of-pocket expenses.

In addition to solicitation by mail, directors, officers and employees of Humana or its subsidiaries may solicit proxies from stockholders by telephone, telegram, e-mail, personal interview or other means. Humana currently expects not to incur any costs beyond those customarily expended for a solicitation of proxies in connection with the adoption of the merger agreement. Directors, officers and employees of Humana will not receive additional compensation for their solicitation activities, but may be reimbursed for reasonable out-of-pocket expenses incurred by them in connection with the solicitation. Brokers, dealers, commercial banks, trust companies, fiduciaries, custodians and other nominees have been requested to forward proxy solicitation materials to their customers, and such nominees will be reimbursed for their reasonable out of pocket expenses.

## **Householding**

The SEC has adopted a rule concerning the delivery of annual reports and proxy statements. It permits Humana, with your permission, to send a single notice of meeting and, to the extent requested, a single copy of this joint proxy statement/prospectus to any household at which two or more stockholders reside if Humana believes they are members of the same family. This rule is called householding, and its purpose is to help reduce printing and mailing costs of proxy materials. To date, Humana has not instituted this procedure but may do so in the future.

A number of brokerage firms have instituted householding for shares held in street name. If you and members of your household have multiple accounts holding shares of Humana common stock, you may have received a householding notification from your broker. Please contact your broker directly if you have questions, require additional copies of this joint proxy statement/prospectus or wish to revoke your decision to household. These options are available to you at any time.

## **Adjournment**

Humana stockholders are being asked to approve a proposal that will give Humana's board of directors authority to adjourn the Humana special meeting from time to time if necessary for the purpose of soliciting additional proxies in favor of the adoption of the merger agreement if there are not sufficient votes at the time of the Humana special meeting or any adjournment or postponement thereof, to adopt the merger agreement. If this proposal is approved, the Humana special meeting could be adjourned to any date or dates. In addition, Humana's board of directors, without prior stockholder approval, could postpone the meeting before it commences, whether for the purpose of soliciting additional proxies or for other reasons. If the Humana special meeting is adjourned for the purpose of soliciting additional proxies, stockholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the adoption of the merger agreement but do not indicate a choice on the adjournment proposal, your shares will be voted in favor of the adjournment proposal. But if you indicate that you wish to vote against the adoption of the merger agreement, your shares will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal.

## **Other Information**

The matters to be considered at the Humana special meeting are of great importance to the stockholders of Humana. Accordingly, you are urged to read and carefully consider the information contained in or incorporated

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by reference into this joint proxy statement/prospectus and submit your proxy via the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope. **If you submit your proxy via the Internet or by telephone, you do not need to return the enclosed proxy card.**

**Stockholders should not send any stock certificates at this time.** A transmittal form with instructions for the surrender of stock certificates for Humana common stock will be mailed to you as soon as practicable after completion of the merger.

**Assistance**

**If you need assistance in completing your proxy card or have questions regarding the Humana special meeting, please contact:**

**D.F. King & Co., Inc.**

48 Wall Street, 22nd Floor

New York, NY 10005

Telephone (Collect): (212) 269-5550

Telephone (Toll-Free): (800) 676-7437

Email: [webmaster@dfking.com](mailto:webmaster@dfking.com)

or

Humana Inc.

500 West Main Street

Louisville, KY 40202

Attention: Investor Relations

Telephone: (502) 580-3622

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**HUMANA PROPOSAL I: ADOPTION OF THE MERGER AGREEMENT AND**

**AETNA PROPOSAL I: APPROVAL OF THE STOCK ISSUANCE**

**General**

This joint proxy statement/prospectus is being provided to holders of shares of Humana common stock in connection with the solicitation of proxies by the board of directors of Humana to be voted at the Humana special meeting and at any adjournments or postponements of the Humana special meeting. At the Humana special meeting, Humana will ask its stockholders to vote on (i) a proposal to adopt the merger agreement, (ii) a proposal to adjourn from time to time the Humana special meeting if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Humana special meeting or any adjournment or postponement thereof and (iii) a proposal to approve, on an advisory (non-binding) basis, compensation that will or may be paid or provided by Humana to its named executive officers in connection with the merger.

This joint proxy statement/prospectus is being provided to holders of Aetna common shares in connection with the solicitation of proxies by the board of directors of Aetna to be voted at the Aetna special meeting and at any adjournments or postponements of the Aetna special meeting. At the Aetna special meeting, Aetna will ask its shareholders to vote on (i) a proposal to approve the stock issuance and (ii) a proposal to adjourn the Aetna special meeting if necessary to solicit additional proxies if there are not sufficient proxies to approve the stock issuance at the time of the Aetna special meeting.

The merger agreement provides for the merger of Merger Sub 1 with and into Humana, with Humana continuing as the surviving corporation and a wholly owned subsidiary of Aetna, and in the subsequent merger Humana will be merged with and into Merger Sub 2, with Merger Sub 2, which will be re-named Humana LLC, continuing as the surviving company and a wholly owned subsidiary of Aetna. **The mergers will not be completed and the merger consideration will not be paid unless Humana stockholders adopt the merger agreement and Aetna shareholders approve the stock issuance.** A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. You are urged to read the merger agreement in its entirety because it is the legal document that governs the mergers. For additional information about the merger, see The Merger Agreement Structure of the Mergers and The Merger Agreement Merger Consideration beginning on pages 157 and 158, respectively, of this joint proxy statement/prospectus.

Upon completion of the merger, each share of Humana common stock will be converted into the right to receive \$125.00 in cash, without interest, and 0.8375 of an Aetna common share. Based on the number of shares of Humana common stock (including the number of shares underlying Humana RSUs and PSUs) outstanding as of August 25, 2015, the most recent practicable date for which such information was available, Aetna expects to issue approximately 127.0 million Aetna common shares to Humana stockholders pursuant to the merger. The actual number of Aetna common shares to be issued pursuant to the merger will be determined at completion of the merger based on the exchange ratio of 0.8375 and the number of shares of Humana common stock (including the number of shares underlying Humana RSUs and PSUs) outstanding at such time. Based on the number of shares of Humana common stock (including the number of shares underlying Humana RSUs and PSUs) outstanding as of August 25, 2015, and the number of Aetna common shares outstanding as of August 25, 2015, the most recent practicable date for which such information was available, it is expected that, immediately after completion of the merger, former Humana stockholders will own approximately 27% of the outstanding Aetna common shares.

**Background of the Mergers**

As part of the ongoing review of their respective companies' businesses, the boards of directors and management of each of Humana and Aetna regularly evaluate their respective companies' historical performance, future growth prospects and overall strategic objectives, and consider potential opportunities to enhance stockholder value. For each company, these reviews have included consideration of various potential strategic alternatives, including potential business combination transactions, and the potential benefits and risks of such transactions in light of, among other things, industry developments in the managed care industry and each company's competitive position in the industry.

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During the course of the reviews by Humana's board of directors described above, at various meetings of the Humana board over the last several years, the board discussed, among other things, discussions that Bruce D. Broussard, the President and Chief Executive Officer of Humana, had, from time to time, with the chief executive officers of other managed care companies, including Mark T. Bertolini, the Chairman and Chief Executive Officer of Aetna. The topics of these conversations included, among other things, developments in the managed care industry and potential industry consolidation and, from time to time, the prospect of Humana combining with their respective companies. During the course of the board's discussions of potential industry consolidation, the board discussed various factors that could lead to consolidation, including continued shifts in health insurance products to retail-based offerings (and attendant emphasis on wellness and preventative offerings), potential long-term policy changes regarding value-based reimbursement of providers for health care services, the need for enhanced technology to meet industry changes, increased emphasis on clinical capabilities for population health management, increased regulation and favorable interest rates.

On October 23, 2014, Mr. Broussard and Mr. Brian A. Kane, Senior Vice President and Chief Financial Officer of Humana, met with the chief executive officer and the chief financial officer of another managed care company (which is referred to in this joint proxy statement/prospectus as Party X) in New Jersey, and discussed recent developments in the managed care industry and potential industry consolidation, including the prospect of Humana combining with Party X.

On December 14, 2014, during a regular meeting of Humana's board of directors held in Louisville, Kentucky, representatives of Goldman Sachs, financial advisor to Humana, discussed with the board an overview of the managed care industry and various industry scenarios, including potential strategic transactions that managed care companies might consider, as well as the environment for industry consolidation given regulatory developments and stockholder sentiment.

During the course of the reviews by the Aetna board of directors described above, at various meetings of the Aetna board over the last several years, the board discussed, among other things, discussions that Mr. Bertolini had, from time to time, with the chief executive officers of other managed care companies. The topics of these conversations included, among other things, developments in the managed care industry and potential industry consolidation and, in the case of conversations with the chief executive officer of one managed care company (which is referred to in this joint proxy statement/prospectus as Party A), from time to time starting in August 2014, Party A's interest in discussing a potential acquisition of Aetna. The Aetna board considered Party A's interest at various meetings of the Aetna board, including a meeting on January 14, 2015, following Party A's delivery of a non-binding proposal to acquire Aetna for \$104 per share for a mix of cash and stock. At that meeting, the Aetna board, together with Aetna's senior management and financial and legal advisors, noted that the price proposed by Party A was not at an attractive level, and that such expression of interest did not address the significant regulatory and other risks of completing a potential transaction with Party A. Accordingly, the board concluded that it was not in the best interests of Aetna's shareholders to engage in discussions with Party A regarding a potential transaction at that time. The board did conclude, however, that in light of a range of developments in the managed care industry, it would be appropriate for management to consider its strategic alternatives in depth over the course of the coming months.

On January 19, 2015, Mr. Kane and the chief financial officer of Party X met in Louisville, Kentucky and discussed recent developments in the managed care industry and potential industry consolidation, including the prospect of Humana combining with Party X.

On March 4, 2015, Mr. Broussard met with the chief executive officer of another managed care company (which is referred to in this joint proxy statement/prospectus as Party Y) in Washington, D.C. During this meeting, Mr. Broussard and the chief executive officer of Party Y discussed a variety of topics, including recent developments



in the managed care industry and potential industry consolidation, including the prospect of Humana combining with Party Y.

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On March 9, 2015, the chief executive officer of Party X called Mr. Broussard to discuss a variety of topics, including recent developments in the managed care industry and potential industry consolidation, including the prospect of Humana combining with Party X.

On March 10, 2015, Mr. Bertolini contacted Mr. Broussard to invite him to a meeting on March 28, 2015. Mr. Bertolini did not specify what topics he proposed to discuss at the meeting.

On March 22, 2015, after the telephonic meeting of Humana's board of directors at which the sale of Humana's Concentra subsidiary was approved, Humana's board of directors held a telephonic executive session of the board, at which Mr. Broussard updated the board on his recent discussions with the chief executive officers of Parties X and Y and informed the board of the invitation that he had received from Mr. Bertolini to meet in person during the following weekend, including that Mr. Bertolini had not indicated what topics he proposed to discuss at the meeting. The board authorized Mr. Broussard to proceed with the meeting with Mr. Bertolini and authorized additional discussions with the chief executive officers of Party X and Party Y.

On March 24, 2015, Mr. Broussard met with the chief executive officer of Party Y in Washington, D.C. During this meeting, Mr. Broussard and the chief executive officer of Party Y discussed a variety of topics, including recent developments in the managed care industry and potential industry consolidation, how industry consolidation may affect transformation in the industry toward improved population health management, consumer focus and value-based reimbursements, the prospect of Humana combining with Party Y and the ability of Humana to be a substantial part of the key operations of a combined company with Party Y.

On March 25, 2015, Mr. Broussard met with the chief executive officer of Party X in Washington D.C. During this meeting, Mr. Broussard and the chief executive officer of Party X discussed a variety of topics, including recent developments in the managed care industry and potential industry consolidation, how industry consolidation may affect transformation in the industry toward improved population health management, consumer focus and value-based reimbursements, the prospect of Humana combining with Party X and the ability of Humana to be a substantial part of the key operations of a combined company with Party X.

On March 28, 2015, Mr. Broussard met with Mr. Bertolini in Newport, Rhode Island. During this meeting, Messrs. Bertolini and Broussard discussed a variety of topics, including recent developments in the managed care industry and potential industry consolidation, how industry consolidation may affect transformation in the industry toward improved population health management, consumer focus and value-based reimbursements, the prospect of Humana combining with Aetna and the ability of Humana to be a substantial part of the key operations of a combined company with Aetna. In the context of this discussion, Mr. Bertolini raised the possibility of a potential strategic transaction between Aetna and Humana, and indicated that Aetna would consider submitting an indication of interest to Humana if Humana would be willing to consider such a proposal. Mr. Broussard advised Mr. Bertolini that Humana had a favorable outlook on its prospects as a stand-alone public company, and he informed Mr. Bertolini that he would have to discuss the matter with Humana's board of directors before providing a response. Mr. Broussard indicated that he would raise the subject of Aetna's approach for discussion at the next regularly scheduled meeting of the Humana board of directors, which was scheduled for mid-April. Mr. Bertolini indicated the Aetna board also had a regularly scheduled meeting in mid-April, at which he expected the Aetna board to discuss a potential strategic transaction with Humana. Recognizing that both companies were scheduled to announce their earnings for the first quarter of 2015 in late April, Mr. Broussard and Mr. Bertolini discussed resuming discussions after their respective regularly scheduled board meetings and earnings announcements.

On April 7, 2015, Humana's board of directors held a telephonic meeting, at which members of Humana's management discussed with the board various factors that could lead to industry consolidation. At that meeting, Mr. Broussard

advised the board of the recent conversations he had had with the chief executive officers of other managed care companies regarding the potential for industry consolidation, including the March 28 meeting with Mr. Bertolini. The board requested that, at future board meetings, management provide it with additional

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information regarding potential industry consolidation and the contributing factors. The board determined to continue at its next regularly scheduled meeting on April 16, 2015 its discussion of Mr. Bertolini's indication that Aetna would consider making a proposal to Humana.

On April 13, 2015, the Aetna board of directors held a regularly scheduled meeting in New York, New York, which was attended by Aetna's senior management and representatives of Davis Polk & Wardwell LLP, which is referred to in this joint proxy statement/prospectus as Davis Polk, Aetna's outside legal counsel, Jones Day, Aetna's outside antitrust counsel, and Simpson Thacher & Bartlett LLP, which is referred to in this joint proxy statement/prospectus as Simpson Thacher, outside legal counsel to the non-management members of the Aetna board. At the meeting, the Aetna board discussed, among other things, Mr. Bertolini's March 28, 2015 meeting with Mr. Broussard, a potential strategic transaction with Humana, including the regulatory aspects of any such transaction, potential industry consolidation and potential strategic alternatives that Aetna might pursue. Following discussion of such matters, the Aetna board of directors concluded that it would be appropriate for management to continue discussions with Humana regarding a potential strategic transaction between Aetna and Humana.

On April 16, 2015, Humana's board of directors held a regularly scheduled meeting in Atlanta, Georgia, at which members of Humana's management made presentations to the board regarding potential industry consolidation, including the views expressed by a certain Humana stockholder regarding Humana's potential involvement in industry consolidation. Christopher M. Todoroff, Senior Vice President and General Counsel of Humana, reviewed with the board the directors' fiduciary duties in connection with considering the possibility of exploring potential business combination transactions. At the meeting, the board discussed Humana's strategy objectives in light of potential industry changes and possible consolidation, including Humana's prospects as a stand-alone public company. Humana's board of directors requested that, at an upcoming meeting of the board, management and the Company's outside financial and legal advisors discuss with the board Humana's potential involvement in industry consolidation as opposed to Humana continuing as a stand-alone public company. The board also discussed Mr. Bertolini's indication to Mr. Broussard that Aetna would consider making a proposal, but the Humana board determined not to pursue this overture at that time.

On April 25, 2015, at the request of the chief executive officer of Party X, Mr. Broussard met with the chief executive officer of Party X in Washington, D.C. At the meeting, Party X's chief executive officer delivered to Mr. Broussard a letter containing a non-binding indication of interest on the part of Party X to acquire all of Humana's outstanding shares for \$230 per share (to be paid approximately one-half in cash and one-half in Party X's common stock). The indication of interest was subject to, among other things, due diligence and negotiation of definitive transaction documents.

On April 27, 2015, Humana's board of directors held a telephonic meeting. Members of Humana's management and representatives of Goldman Sachs and Fried, Frank, Harris, Shriver & Jacobson LLP, which is referred to in this joint proxy statement/prospectus as Fried Frank, Humana's outside legal counsel, participated in the meeting. At the meeting, the board and management discussed Party X's letter and the terms of its indication of interest. Representatives of Goldman Sachs provided the board with an overview of Party X. In addition, representatives of Fried Frank advised the board regarding its fiduciary duties in the context of Party X's unsolicited letter. Following discussions, Humana's board of directors decided to meet in person later in the week to further consider Party X's letter and further discuss Humana's potential involvement in industry consolidation and Humana's prospects as a stand-alone public company.

On April 30, 2015, Humana's board of directors held a meeting in Chicago, Illinois. Members of Humana's management and representatives of Goldman Sachs and Fried Frank participated in the meeting. At the meeting, members of Humana's management discussed with the board Humana's financial condition and operations and

provided, among other things, a comparison of Humana with other managed care companies. The board and management then engaged in an extensive discussion regarding the potential impact of industry trends on Humana's business prospects, including the impact of potential industry consolidation. Members of Humana's

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management and representatives of Goldman Sachs also provided additional details of Party X's offer, and representatives of Fried Frank advised the board regarding its fiduciary duties in the context of exploring potential business combination transactions. After discussion, the board determined that further analysis and consideration would be needed prior to engaging in any discussions with Party X or any other third party regarding a potential transaction, including Humana's prospects as a stand-alone public company. The board instructed Mr. Broussard to advise Party X's chief executive officer that Humana's board of directors was considering Party X's letter, and that a response would be forthcoming by the middle to end of May. Mr. Broussard telephonically communicated this message to Party X's chief executive officer following the meeting.

On May 1, 2015 and again on May 8, 2015, the chief executive officer of Party X called Mr. Broussard regarding the Humana board's response to his company's indication of interest letter and next steps.

On May 4, 2015, Messrs. Bertolini and Broussard had a telephonic conversation regarding the Humana board's response to Mr. Bertolini's indication that Aetna would consider submitting a proposal and next steps. On the call, Mr. Broussard informed Mr. Bertolini that the Humana board had determined that, due to various circumstances which Mr. Broussard declined to elaborate on, the Humana board was not prepared to discuss a potential strategic transaction with Aetna further at that time. However, Mr. Broussard told Mr. Bertolini that he expected to be in a position to discuss such matters with Aetna in the next few weeks, and indicated that he would contact Mr. Bertolini if and when the Humana board decided to approve his engagement in such discussions.

On May 11, 2015, Humana's board of directors held a telephonic meeting. At the meeting, members of Humana's management discussed with the board Humana's financial and operating results.

On May 13, 2015, Humana's board of directors held a meeting at the New York offices of Fried Frank. Members of Humana's management and representatives of Goldman Sachs and Fried Frank participated in the meeting. At the meeting, members of Humana's management discussed with the board Humana's stand-alone strategic plan as well as Humana management's financial forecasts for Humana. Representatives of Goldman Sachs presented to the board a preliminary financial analysis of Party X's offer, including a comparison of the financial condition of Humana and Party X, potential synergies in a combination of Humana and Party X, and a pro forma valuation of the companies on a combined basis. Representatives of Goldman Sachs also discussed with the board strategic alternatives potentially available to Humana, including remaining as a stand-alone public company and combinations with other managed care companies. Representatives of Goldman Sachs discussed with the board potential scenarios for consolidation in the managed care industry and its preliminary financial analysis of Humana. The board discussed the advantages and disadvantages of Humana exploring strategic alternatives with Party X, Aetna and other managed care companies as opposed to continuing to operate as a stand-alone public company. The board decided to continue these discussions at the board meeting to be held on May 19, 2015.

On May 19, 2015, Humana's board of directors held a meeting at the New York offices of Fried Frank. Members of Humana's management and representatives of Goldman Sachs and Fried Frank participated in the meeting. At the meeting, members of Humana's management updated the board regarding Humana's financial and operating results. Representatives of Goldman Sachs discussed with the board (i) a potential business combination with each of Aetna, Party X and Party Y, as well as the ability of each of the companies to make an attractive transaction proposal to acquire Humana and complete a transaction with Humana, and (ii) a process through which Humana could explore potential acquisition transactions with those three companies if Humana's board of directors determined to do so. Members of Humana's management and representatives of Goldman Sachs and Fried Frank also discussed various other potential counterparties for a potential transaction with Humana. Following discussion, the board, although making no decision as to whether to engage in a sale process, authorized Humana's management to communicate to Party X that Humana was not prepared to accept the proposed terms reflected in its April 25 letter, but at the same

time to communicate to Aetna and Parties X and Y that Humana's board of directors

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was considering whether to explore a potential transaction and, in that connection, was prepared to share with each party limited, non-public financial information regarding Humana and receive a preliminary indication of interest from each party regarding a potential transaction with Humana. A representative of Fried Frank discussed with the board potential terms of non-disclosure and standstill agreements (each of which is referred to in this joint proxy statement/prospectus as an NDA) that Humana would seek to enter into with those companies prior to sharing such information.

Following the May 19, 2015 meeting of Humana's board of directors, Mr. Broussard contacted Mr. Bertolini and the chief executive officers of Parties X and Y. On each call, Mr. Broussard communicated that Humana's board of directors was considering whether to explore a potential transaction and, in that connection, (i) he was authorized to determine that party's interest in a possible transaction with Humana, (ii) Humana was prepared to expeditiously enter into an NDA with that party if it was interested in pursuing a potential transaction with Humana, (iii) following execution of an NDA, Humana would share limited, non-public financial information with that party, and would schedule management meetings to take place in New York City during the week of May 25, 2015, and (iv) Humana would ask the party to submit a preliminary indication of interest by June 5, 2015. In addition, Mr. Broussard communicated to Party X's chief executive officer that Humana was not prepared to accept Party X's proposal as reflected in its April 25 letter. Goldman Sachs also held telephonic conversations with the financial advisors of Aetna, Party X and Party Y to further discuss the process.

From May 20, 2015 through May 24, 2015, Humana and its advisors negotiated and entered into NDAs with each of Aetna, Party X and Party Y. Each of the NDAs contained an 18-month standstill provision (subject to customary exceptions). The NDAs do not currently restrict Party X or Party Y from making a confidential proposal to Humana's board regarding a possible business combination with Humana.

On May 27, 2015, at Humana management's direction, Goldman Sachs began providing limited, non-public financial information regarding Humana to Aetna, Party X and Party Y.

On May 28, 2015, members of Humana's management and representatives of Goldman Sachs met with members of Party Y's management and representatives of Party Y's financial advisor at the New York offices of Fried Frank, at which meeting Humana's management gave a presentation regarding Humana's strategy, financial condition and operations. Also on May 28, 2015, Mr. Broussard had a telephone conversation with the chief executive officer of Party Y (who did not attend the management meeting) to discuss the process and the potential of Party Y submitting a preliminary indication of interest.

On May 29, 2015, members of Humana's management and representatives of Goldman Sachs met separately at the New York offices of Goldman Sachs with each of (i) members of Aetna's management and its financial advisors and (ii) members of Party X's management and its financial advisor. At each of the meetings, Humana's management gave a presentation regarding Humana's strategy, financial condition and operations.

In addition, during trading hours on May 29, 2015, the *Wall Street Journal* reported that, based upon rumors, Humana was exploring a possible sale transaction. Humana's stock closed at \$214.65 per share on May 29, 2015, an increase of approximately 20% from its closing price of \$178.41 per share on May 28, 2015.

On May 29, 2015, Humana's board of directors held a telephonic meeting in which members of Humana's management and representatives of Goldman Sachs and Fried Frank participated. At the meeting, the board discussed the *Wall Street Journal* report. In addition, representatives of management and Goldman Sachs briefed the board on the management meetings with Aetna and Parties X and Y and discussed next steps in the process.



Over the next few days, members of Humana's management and Goldman Sachs had several telephonic conversations with each of (i) members of Aetna's management and its financial advisor, (ii) members of Party X's management and its financial advisor and (iii) members of Party Y's management and its financial advisor, in each case to discuss various due diligence topics, including the Humana projections (as defined below). See

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the section titled “Unaudited Prospective Financial Information – Humana Projections” beginning on page 138 of this joint proxy statement/prospectus for a summary of the Humana projections.

On June 2, 2015, the chief executive officer of Party Y called Mr. Broussard to discuss the potential of Party Y submitting a preliminary indication of interest.

On June 4, 2015, the Aetna board of directors held a telephonic meeting, which was attended by Aetna’s senior management and representatives of Davis Polk, Jones Day and Simpson Thacher. At the meeting, the board received an update from management on, and discussed the status of, discussions with Humana regarding a potential strategic transaction, and also discussed potential industry consolidation. Following discussion of such matters, the board authorized management to submit a preliminary, non-binding indication of interest regarding a potential strategic transaction with Humana at or prior to the June 5 deadline in Humana’s process.

On June 4, 2015, Humana’s preliminary review of its May 2015 claims data indicated the need for further analysis of the adequacy of its individual Medicare Advantage Part C Incurred But Not Reported medical reserves (which are referred to in this joint proxy statement/prospectus as IBNR reserves). In light of this analysis, and after consulting with Kurt J. Hilzinger, the Chairman of Humana’s board of directors, and other board members, representatives of Goldman Sachs and Fried Frank, Humana’s management decided to delay the June 5 deadline for submission of indications of interests previously communicated to Aetna and Parties X and Y, and to temporarily suspend its exploration of a potential transaction until Humana could complete its analysis of its claims data. Accordingly, Goldman Sachs contacted the financial advisors of each of Aetna and Parties X and Y to inform them that the deadline had been delayed and that further information would be forthcoming concerning resumption of the process. Mr. Broussard also contacted Mr. Bertolini and the chief executive officers of Parties X and Y to communicate the same message.

On June 5, 2015, Humana’s board of directors held a telephonic meeting. Members of Humana’s management and representatives of Goldman Sachs and Fried Frank participated in the meeting. At the meeting, members of Humana’s management discussed with the board the recent claims data, the potential impact on Humana’s IBNR reserves, the delay to the deadline for indications of interest and the temporary suspension of the exploratory process. Representatives of Goldman Sachs also discussed with the board the process to date, including due diligence discussions with each of Aetna and Parties X and Y.

On June 12, 2015, Humana’s board of directors held a telephonic meeting. Members of Humana’s management and representatives of Goldman Sachs and Fried Frank participated in the meeting. At the meeting, members of Humana’s management discussed with the board management’s review of the claims data and its determination that Humana’s IBNR reserves were adequate, including the engagement by Humana of an independent actuarial and consulting firm that concurred with Humana’s management in that determination. The board also discussed the potential timeline for the resumption of the exploratory process with Aetna and Parties X and Y. The board then authorized Humana’s management to resume that exploratory process.

On June 14, 2015, the chief executive officer of Party X called Mr. Broussard to discuss the status of the process. Mr. Broussard advised Party X’s chief executive officer that he should expect to hear back from Humana shortly.

On June 15, 2015, Messrs. Bertolini and Broussard had a telephonic conversation to discuss the status of the process. Mr. Broussard advised Mr. Bertolini that he should expect to hear back from Humana shortly. Later that day, the Aetna board of directors held a telephonic meeting, which was attended by Aetna’s senior management and representatives of Davis Polk and Simpson Thacher. At the meeting, the board considered a non-binding expression of interest provided by Party A on June 12, 2015 concerning a potential acquisition of Aetna. The Aetna board noted in

particular that Party A had not addressed the regulatory and related risks of a potential transaction with Aetna in any meaningful respect. The board also noted that, although Party A had indicated that it would be willing to pay a significant market based premium, it had not proposed a specific price or premium.

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Despite the absence of a specific proposal, and the failure to address regulatory and related risks, the Aetna board concluded that it would be appropriate to consider Party A's expression of interest in more detail at a later meeting, and instructed Aetna senior management and its advisors to present at such meeting an analysis of the range of proposals that Party A might make with respect to a potential transaction with Aetna. At the June 15, 2015 meeting, the Aetna board also received an update from Mr. Bertolini on his call with Mr. Broussard earlier that day, and discussed other matters concerning the status of a potential strategic transaction between Aetna and Humana and potential industry consolidation.

On June 16, 2015, representatives of Goldman Sachs had telephonic conversations with the financial advisors of each of Aetna and Parties X and Y. On each call, Goldman Sachs informed the financial advisors that Humana was prepared to resume its exploration of a potential transaction, and further discussed the reasons why Humana had temporarily suspended the process. On its calls with Aetna and Party X's financial advisors, Goldman Sachs communicated that Humana management was prepared to discuss with them the following day the outcome of Humana's review of its IBNR reserves. Goldman Sachs also indicated that each party should be prepared to submit written indications of interest no later than June 24, 2015. On its call with Party Y's financial advisors, Goldman Sachs communicated that Humana was reluctant to have further discussions with Party Y as part of its exploratory process in light of public reports that Party Y had made a proposal to acquire Party X that would, if consummated, preclude Party Y from acquiring Humana, but would include Party Y in the process if Party Y provided assurances that it was, in fact, committed to evaluating a potential transaction with Humana.

On June 16, 2015, following the calls by Goldman Sachs, Mr. Broussard spoke with Mr. Bertolini and the chief executive officers of each of Party X and Party Y regarding the resumption of the process. The chief executive officer of Party Y reiterated to Mr. Broussard that Party Y was still interested in a potential transaction with Humana, but that he was not prepared to discuss any specifics of Party Y's publicly reported proposal to acquire Party X. In light of the fact that the chief executive officer of Party Y could not provide Humana comfort that it was not pursuing an alternative transaction that would limit Party Y's ability to enter into a transaction with Humana, Mr. Broussard communicated that Humana was not prepared at that time to engage in further due diligence with Party Y. Later in the day on June 16, 2015, Mr. Bertolini called Mr. Broussard and communicated Aetna's interest in acquiring Humana at price of \$225 per share, payable partly in cash and partly in stock. Mr. Broussard indicated that he did not believe that the Humana board of directors would consider a price of \$225 per share to be sufficient, noting that the Humana board had determined not to pursue a recent offer from another party at a higher price. On his call with the chief executive officer of Party X, Mr. Broussard and Party X's chief executive officer also discussed rumors that had been publicly reported that Party X had received an acquisition proposal from Party Y. Party X's chief executive officer indicated that Party X continued to be interested in pursuing a transaction with Humana.

On June 17, 2015, members of Humana's management had calls with the management of Aetna and Party X to discuss Humana's review of its IBNR reserves. In addition, on June 17, 2015, Mr. Broussard and Mr. Bertolini had a telephonic conversation during which they discussed Aetna's interest in a potential transaction with Humana as well as other industry developments, as well as the rumors that had been publicly reported concerning Party A's interest in acquiring Aetna. Goldman Sachs also had a telephonic conversation with Citi, financial advisor to Aetna, on June 17, 2015 to discuss the process with respect to Aetna.

On June 18, 2015, Mr. Broussard and Mr. Bertolini had a telephonic conversation, during which Mr. Broussard reiterated his belief that a price of \$225 per share would not be considered sufficient by the Humana board. Later in the day on June 18, 2015, Humana received a letter from Aetna containing a non-binding indication of interest to acquire all of Humana's outstanding shares for \$230 per share, consisting of approximately 47% in Aetna stock and the remainder in cash, with the stock component of the consideration fixed based on the exchange ratio implied by the 10-day volume weighted average price per Aetna common share as of June 12, 2015 of \$117.42. The letter stated that

Aetna would be prepared to agree to use reasonable best efforts to obtain the required regulatory approvals for the potential transaction, up to a material adverse effect standard (i.e., as long as such efforts would not have a material adverse effect). The letter also indicated that

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Aetna was prepared to complete its due diligence and, subject to satisfactory completion of diligence, negotiation of a mutually satisfactory merger agreement and the final approval of its board, enter into a merger agreement within 10 days.

On June 19, 2015, Humana's board of directors held a telephonic meeting. Members of Humana's management and representatives of Goldman Sachs and Fried Frank participated in the meeting. At the meeting, representatives of Goldman Sachs discussed with the board (i) the process to date with Aetna and Parties X and Y, (ii) potential consolidation within the managed care industry, and (iii) the terms of Aetna's proposal. The board also discussed the possibility of another managed care company making an offer to acquire Aetna in light of market rumors that Party A had contacted Aetna with respect to a potential transaction. The board and its advisors discussed possible terms that could be included in a merger agreement with Aetna or Party X or Y to address this possibility. Following discussion with Goldman Sachs, Fried Frank and members of Humana's management, the board determined that Humana should respond to Aetna's letter by communicating to Aetna a proposed purchase price of \$240 per share. At the request of the board, Mr. Broussard left the board meeting temporarily to communicate this response by telephone to Mr. Bertolini. Mr. Bertolini advised Mr. Broussard that he would need to discuss the matter with Aetna's board of directors. Also at the meeting, the Humana board formed a transaction committee, consisting of Messrs. Broussard, Hilzinger, Frank A. D'Amelio, and David A. Jones, Jr. (which is referred to in this joint proxy statement/prospectus as the Humana transaction committee), to oversee the negotiation of, and advise the Humana board on, aspects of the transaction process. The other directors were advised that they would be invited to participate in all meetings of the Humana transaction committee. A majority of the other directors participated in each of the eight transaction committee meetings described below.

In addition, on June 19, 2015, Goldman Sachs had a telephonic conversation with Citi to further discuss Humana's response to Aetna's proposal, including Humana's counter-proposal (i) of \$240 per share, and (ii) that the merger agreement contain appropriate deal protection provisions. On the same day, Fried Frank held a telephonic meeting with Davis Polk to discuss deal protection provisions that could potentially be included in the merger agreement.

On June 20, 2015, Mr. Bertolini called Mr. Broussard to inform him that he had conveyed Humana's counter-proposal of \$240 per share to Aetna's board of directors and that Aetna was not prepared to commit to any increase in the price indicated in Aetna's June 18 offer. On the call, Messrs. Broussard and Bertolini agreed that their respective teams would engage in due diligence (including reverse due diligence by Humana on Aetna) on an expedited basis consistent with the ten-day time frame included in Aetna's June 18 letter and Mr. Broussard advised Mr. Bertolini that Fried Frank would shortly send a draft merger agreement to Davis Polk. Messrs. Broussard and Bertolini agreed to defer any further discussion of the purchase price until due diligence was substantially completed.

On June 20, 2015, Party Y publicly confirmed that it had made offers to acquire Party X.

On June 20, 2015, the Humana transaction committee held a telephonic meeting, at which representatives of Goldman Sachs and Fried Frank participated. At the meeting, representatives of Fried Frank discussed with the committee the proposed terms of a draft merger agreement, which the committee approved to be sent to Aetna. Later in the day on June 20, 2015, Fried Frank delivered an initial draft of the merger agreement to Davis Polk, which provided (i) a "hell or high water" standard (i.e., an obligation of Aetna to take any and all actions required) for obtaining required regulatory approvals for the transaction, (ii) a right of Humana to terminate the merger agreement to enter into a superior proposal, (iii) a "force the vote" provision (i.e., a requirement to submit the adoption of the merger agreement or the approval of the stock issuance, as applicable, to a stockholder vote, and no right to terminate the merger agreement, even if a superior proposal were received) applicable to Aetna only, (iv) termination fees in unspecified amounts (A) payable by Humana in the event of (1) Humana's termination of the merger agreement to enter into a superior proposal, (2) Aetna's termination following a change of the Humana board's recommendation in favor of the

merger or (3) either party's termination in certain circumstances if Humana's stockholders fail to adopt the merger agreement following a public acquisition

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proposal for Humana (which fee is referred to in this section of this joint proxy statement/prospectus as the Humana termination fee), and (B) payable by Aetna in the event of (1) Humana's termination of the merger agreement following a change of the Aetna board's recommendation in favor of the stock issuance or (2) either party's termination in certain circumstances if Aetna's shareholders fail to approve the stock issuance following a public acquisition proposal for Aetna (which fee is referred to in this section of this joint proxy statement/prospectus as the Aetna termination fee) and (v) certain provisions that would limit Aetna's rights to terminate the merger agreement if, among other things, Aetna shareholders fail to approve a transaction in the event that Aetna received an acquisition proposal from an industry participant.

On June 21, 2015, Mr. Broussard spoke with the chief executive officer of Party X, who informed Mr. Broussard that Party X still expected to submit an indication of interest on Wednesday, June 24, 2015.

On June 21, 2015, the Aetna board of directors held a telephonic meeting, which was attended by Aetna's senior management and representatives of Davis Polk, Jones Day and Simpson Thacher. At the meeting, the board received an update from management on, and discussed the status of, discussions with Humana regarding a potential strategic transaction, and also discussed potential industry consolidation. Following discussion of such matters, the board concluded that it would be appropriate for management to continue discussions with Humana regarding a potential strategic transaction between Aetna and Humana.

During the week of June 22, 2015, the management and operational personnel of Humana and Aetna met at Fried Frank's New York offices for due diligence meetings. During this period, in furtherance of Aetna's due diligence review of Humana as well as Humana's due diligence review of Aetna, the two parties held over 40 in person or telephonic due diligence sessions attended by a significant number of employees from each company, covering a variety of financial and operational matters. During this timeframe, each of Humana and Aetna also made available to the management and operational personnel of the other party and its advisors an electronic dataroom containing certain non-public financial, legal and other information of such party. Aetna also engaged an independent actuarial and consulting firm to provide an independent evaluation of Humana's 2016 Medicare Advantage Part C and Part D bids, including an evaluation of baseline experience and Humana's IBNR reserves.

On June 22, 2015, Fried Frank and Davis Polk had a telephonic conversation to discuss certain terms of the merger agreement, including that Aetna would not be willing to accept (i) a "hell or high water" standard for obtaining required regulatory approvals for the proposed transaction, (ii) provisions that would limit Aetna's rights to terminate the merger agreement if Aetna shareholders fail to approve a transaction or (iii) any asymmetrical "force the vote" provisions, termination fees or other related provisions (which are referred to in this section of this joint proxy statement/prospectus as deal protection provisions) in the merger agreement.

On June 22, 2015, the Humana transaction committee held a telephonic meeting, at which representatives of Goldman Sachs and Fried Frank participated. At the meeting, members of Humana's management and representatives of Goldman Sachs discussed recent developments in the managed care industry, including with respect to potential consolidation scenarios, and updated the committee regarding the day's events, including Humana's discussions with Aetna. The committee also discussed and approved Humana's formal engagement of Goldman Sachs as its financial advisor in connection with a potential business combination. In that connection, Goldman Sachs discussed with the committee certain of Goldman Sachs' prior relationships with Aetna and Parties X and Y. Later on that same day, Fried Frank had a telephonic conversation with Davis Polk to discuss the terms of the merger agreement.

On June 23, 2015, Messrs. Broussard and Bertolini met in New York to discuss the potential transaction. Later in the day, Davis Polk delivered a revised draft of the merger agreement to Fried Frank with terms consistent with the telephone discussion held on June 22, 2015, including an obligation of Aetna to use reasonable best efforts to obtain



required regulatory approvals for the proposed transaction, up to a material adverse effect standard determined by reference to a company the size of Humana.

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On June 23, 2015, the Humana transaction committee held a telephonic meeting, at which representatives of Goldman Sachs and Fried Frank participated. At the meeting, members of Humana's management and representatives of Goldman Sachs updated the committee regarding the day's events, including Humana's discussions with Aetna. Representatives of Fried Frank also discussed with the committee Davis Polk's response to the merger agreement, including the deal protection provisions applicable to Aetna, and Aetna's proposed contractual commitment with respect to obtaining required regulatory approvals for the proposed transaction.

On June 24, 2015, Messrs. Hilzinger and Bertolini had a telephonic conversation during which they discussed a potential commitment by Aetna to maintain certain operations of the combined company in Louisville, Kentucky, and the potential addition of Humana directors to the Aetna board of directors, in each case following completion of any transaction. On the same day, Fried Frank and Davis Polk held a meeting at Davis Polk's office in New York to negotiate terms of the merger agreement.

On June 24, 2015, Humana received a letter from Party X containing a non-binding indication of interest to acquire all of Humana's outstanding shares for \$225 per share. Following receipt of this letter, Goldman Sachs had a telephonic conversation with Party X's financial advisor to further discuss the terms of Party X's proposal. As part of this discussion, Goldman Sachs communicated to Party X that, in light of the public reports that Party X had been approached by Party Y with respect to a transaction, Humana would be willing to explore a potential transaction with Party X if Party X would present Humana with a proposed transaction that did not require approval by Party X's stockholders. Later that day, the Humana transaction committee held a telephonic meeting, at which representatives of Goldman Sachs and Fried Frank participated, to discuss Party X's letter and to update the committee on the day's events.

On June 25, 2015, Goldman Sachs held a meeting with Citi to communicate Humana's counter-proposal to Aetna: (i) a purchase price of \$240 per share, (ii) a Humana termination fee equal to 3.25% of the transaction value, (iii) an Aetna termination fee equal to 7% of Aetna's equity value and (iv) a stronger contractual commitment by Aetna to obtain required regulatory approvals for the proposed transaction. Following the call, Fried Frank delivered a revised draft of the merger agreement to Davis Polk reflecting these terms, including a right of Humana to terminate the merger agreement to enter into a superior proposal, a "force the vote" provision applicable to Aetna only and an obligation of Aetna to use reasonable best efforts to obtain required regulatory approvals for the proposed transaction, up to a material adverse effect standard determined by reference to the combined company. Later that day, while the board meeting described below was in progress, Mr. Shawn M. Guertin, Aetna's Chief Financial Officer, Chief Enterprise Risk Officer and Executive Vice President, called Mr. Kane to reject Humana's counter-proposal. In addition, on the same date following the board meeting described below, Mr. Bertolini communicated to Mr. Broussard that, given Humana's counter-proposal, Aetna intended to withdraw from the process. Following several telephonic communications between Messrs. Broussard and Bertolini, Mr. Bertolini agreed to continue negotiations with Humana, but Mr. Bertolini did not offer any specific counter-proposals with respect to the open points. Messrs. Kane and Guertin also had a telephonic discussion following such communications to discuss Humana's counterproposal. In addition, on that same date, Goldman Sachs had two telephonic conversations with Party X's financial advisor to further discuss Party X's offer in advance of the Humana board meeting held later that evening, and Goldman Sachs also had a telephonic discussion with Party X's financial advisor while the board meeting was in progress to discuss Party X's offer.

On June 25 and June 26, 2015, Humana's board of directors held meetings in New York. Members of Humana's management and representatives of Goldman Sachs and Fried Frank participated in the meetings. At the meetings, members of Humana's management discussed with the Humana board the ongoing operations of Humana and also reported on the results of Humana's due diligence review of Aetna. Representatives of Goldman Sachs discussed with the Humana board (i) the negotiations with Aetna to date, (ii) a preliminary financial review of the combined

company, and (iii) a financial review of Humana as a stand-alone public company. Representatives of Fried Frank also discussed with the board its fiduciary duties and the proposed terms of the merger agreement based on negotiations with Aetna to date. In addition, on June 26, 2015, the

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non-executive members of Humana's board of directors held an executive session of the board, at which representatives of Goldman Sachs and Fried Frank participated, to further discuss the matters discussed at the full board meeting.

On June 26, 2015, Aetna's board of directors held a meeting in New York, New York, which was attended by Aetna's senior management and representatives of Citi, Lazard (financial advisor to Aetna), Davis Polk, Jones Day and Simpson Thacher. At the meeting, the board received an update from Aetna management on, and discussed the status of, negotiations with Humana, discussed the financial and political aspects of a potential transaction with Humana with representatives of Citi, discussed the regulatory aspects of a potential transaction with its legal advisors and discussed potential industry consolidation in light of, among other things, Party Y's recent public confirmation that it had made offers to acquire Party X. At this meeting, as requested by the Aetna board at its June 15, 2015 meeting referred to above, the board also received a presentation of Aetna senior management and its advisors relating to Party A's most recent expression of interest in a potential acquisition of Aetna. During that presentation and the ensuing discussion, the Aetna board, together with Aetna's senior management and its advisors, concluded that the regulatory and related risks of a potential transaction with Party A were significant, and noted that none of Party A's expressions of interest had addressed such risks in any credible way. In addition, the Aetna board, together with Aetna's senior management and advisors, noted that Party A had not proposed a specific price or premium in its most recent expression of interest, and the specific price that Party A had proposed in its prior expressions of interest had not been at an attractive level, including Party A's offer on February 17, 2015 where Party A reiterated its \$104 per share offer, which Party A indicated was full and fair value. However, in order to evaluate the prospect of Party A making a specific proposal, the Aetna board, together with Aetna's senior management and financial advisors, considered the range of prices that it believed that Party A might pay in a potential acquisition of Aetna, and the other potential benefits of a potential transaction with Party A to Aetna's shareholders. Taking into account these factors, the other facts and circumstances of Party A's prior expressions of interest and the risk that engaging in discussions with Party A could disrupt or lead Humana to terminate discussions with Aetna regarding a potential transaction, the Aetna board concluded, as it had at earlier board meetings, that it was not in the best interests of Aetna's shareholders to engage in discussions with Party A regarding a potential transaction, and that instead it would be appropriate for management to continue negotiations with Humana regarding a potential strategic transaction.

On June 27, 2015, members of Humana's and Aetna's management held several telephonic discussions to negotiate the terms of the transaction, and early on June 28, 2015, Davis Polk delivered a revised draft of the merger agreement to Fried Frank, including (i) a right of each party to terminate the merger agreement to enter into a superior proposal, (ii) a Humana termination fee of 3.25% of the transaction value, (iii) an Aetna termination fee of 3.25% of Aetna's equity value and (iv) an obligation of Aetna to use reasonable best efforts to obtain required regulatory approvals for the proposed transaction, up to a material adverse effect standard determined by reference to a company the size of Aetna. During the course of the day and the following days, Aetna's due diligence team reviewed the results that Humana had received from a recent, ordinary course CMS comprehensive audit of Humana's Medicare Advantage Parts C and D plans.

Members of Humana's and Aetna's management continued discussions throughout the day on June 28, 2015. As part of those discussions, Aetna's management communicated to Humana's management that Aetna would not be willing to execute a merger agreement before CMS released its report on June 30, 2015 regarding risk adjustment and reinsurance settlement amounts for 2014 under its risk spreading premium stabilization programs established pursuant to the provisions in the Patient Protection and Affordable Care Act related to the 3R's. During these discussions, members of Aetna's management proposed (i) that Humana and Aetna have the benefit of symmetrical deal protection provisions in the merger agreement, as reflected in the draft of the merger agreement most recently delivered by Davis Polk to Fried Frank, (ii) the enhanced contractual commitment on the part of Aetna to obtain required regulatory approvals for the proposed transaction, as reflected in the draft of the merger agreement most recently delivered by

Davis Polk to Fried Frank, (iii) a termination fee equal to \$450 million, which would be payable by Aetna in the event the parties fail to obtain required regulatory approvals for the proposed transaction (which fee is referred to in this joint proxy statement/prospectus as the

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regulatory termination fee), and (iv) that the cash component of the purchase price be increased to \$125 per share and the stock component of the purchase price be based on a fixed exchange ratio of 0.8250 of an Aetna common share, which reflected an implied value of approximately \$105 per share, based on the 10-day volume weighted average price per Aetna common share as of such date, and would result in an implied purchase price of \$230 per share.

On each of June 27 and June 28, 2015, the Humana transaction committee held a telephonic meeting, at which members of Humana's management and representatives of Goldman Sachs, Fried Frank and Crowell & Moring LLP, Humana's outside antitrust counsel (which is referred to in this joint proxy statement/prospectus as Crowell), participated. At these meetings, members of Humana's management and representatives of Fried Frank updated the committee regarding the day's events, including the negotiations with Aetna, and representatives of Crowell made a presentation to the committee regarding the likely antitrust regulatory review of the mergers. During the course of these days and the following days, Aetna's due diligence team reviewed the results that Humana had received from a recent, ordinary course CMS comprehensive audit of Humana's Medicare Advantage Parts C and D plans. On June 28, 2015, Mr. Kane spoke with representatives of Lazard to discuss the Humana projections.

On June 29, 2015, Fried Frank delivered a revised draft of the merger agreement to Davis Polk, which provided for (i) force the vote provisions applicable to each party, (ii) an Aetna termination fee equal to 4% of an amount equal to 130% of Aetna's equity value, (iii) a Humana termination fee equal to 4% of the transaction value, (iv) an obligation of Aetna to use reasonable best efforts to obtain required regulatory approvals for the proposed transaction, up to a material adverse effect standard determined by reference to a company 150% of the size of Aetna, and (v) a regulatory termination fee equal to 7% of the transaction value. Later that day, Fried Frank and Davis Polk had a telephonic conversation to discuss the terms of the merger agreement.

In the early morning of June 30, 2015, Davis Polk delivered a revised draft of the merger agreement to Fried Frank, which provided for (i) an Aetna termination fee equal to 3.75% of Aetna's equity value, (ii) a Humana termination fee equal to 3.75% of the transaction value, (iii) a revised contractual commitment on the part of Aetna to obtain required regulatory approvals for the proposed transaction, (iv) a regulatory termination fee equal to \$450 million and (v) a new termination right for Aetna in the event that Humana became subject to CMS sanctions prior to completion of the mergers.

On June 30, 2015, members of Humana's and Aetna's management, along with representatives of Goldman Sachs, Fried Frank, Citi and Davis Polk, held a meeting at the New York offices of Davis Polk to negotiate the remaining material terms of the transaction. During a break in these discussions, the Humana transaction committee held a telephonic meeting at which Mr. Broussard updated the committee with respect to Humana's management's discussions with Aetna. Following the discussions, the parties agreed, subject to final approval by their respective boards of directors, on (i) symmetrical deal protection provisions, including force the vote provisions applicable to each party and termination fees as set forth in the last draft of the merger agreement delivered by Davis Polk to Fried Frank, (ii) an obligation of Aetna to use reasonable best efforts to obtain required regulatory approvals for the proposed transaction, up to a material adverse effect standard determined by reference to a company the size of Aetna, and (iii) a \$1 billion regulatory termination fee. In a discussion between Messrs. Broussard and Bertolini, Mr. Broussard discussed Aetna's proposal to change the cash and stock mix of the purchase price discussed above. Mr. Broussard expressed Humana's view that Humana and Aetna should split the exchange ratio implied by Aetna's June 18 letter and the revised exchange ratio proposed by Aetna on June 28, 2015, which would result in an implied purchase price of \$235 per share, based on the price per share of Aetna common shares as of June 30, 2015. Mr. Bertolini rejected Mr. Broussard's proposal, and following this rejection, and Mr. Broussard's rejection of Aetna's proposed termination right relating to CMS sanctions, Messrs. Broussard and Bertolini terminated discussions.

Later in the day on June 30, 2015, each of the Humana transaction committee and Humana's full board of directors held telephonic meetings, at which members of Humana's management and representatives of Fried Frank, Goldman Sachs and Crowell participated. At the meetings, members of Humana's management and

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representatives of Fried Frank provided updates regarding the termination of negotiations with Aetna. Humana's management also informed the board that as a result of the risk adjustment and reinsurance settlement amounts for 2014 applicable to certain of Humana's commercial medical products announced by CMS earlier that day, Humana would be required to make certain adjustments to its estimated net receivables related to the 3R's for both 2014 and 2015. Mr. Kane also called Mr. Guertin to inform him of the impact the CMS announcement would have on Humana.

Also later in the day on June 30, 2015, the Aetna board of directors held a meeting in New York, New York, which was attended by Aetna's senior management and representatives of Citi, Lazard, Davis Polk, Jones Day and Simpson Thacher. At the meeting, the Aetna board received an update from management on and discussed the results of Aetna's due diligence on Humana, certain terms of the potential transaction that had been negotiated and the termination of negotiations with Humana. On the same day and the following day, Aetna's management reviewed the risk adjustment and reinsurance settlement amounts for 2014 announced by CMS on June 30, 2015 and the potential impact on Humana's receivables related to the 3R's for both 2014 and 2015.

On July 2, 2015, Citi called Goldman Sachs to indicate Aetna's willingness to resume discussions on the basis of Aetna's last proposal regarding the remaining material terms of the transaction. Throughout the day, Davis Polk, Fried Frank and members of Aetna's and Humana's management held several telephonic discussions regarding such terms, including Aetna's proposed termination right in the event of CMS sanctions that are material and adverse to Humana. Throughout the day on July 2, 2015, Davis Polk and Fried Frank continued to exchange drafts of the merger agreement and attempted to finalize the remaining terms of the merger agreement, with the parties ultimately agreeing to include a condition to the completion of the mergers and a termination right relating to CMS sanctions that are material and adverse to Humana, as more fully described below in the section "The Merger Agreement" Conditions to Completion of the Mergers and "The Merger Agreement" Termination of the Merger Agreement beginning on pages 161 and 183, respectively, of this joint proxy statement/prospectus. In addition, at their respective clients' direction, Goldman Sachs and Citi held a telephonic conversation to negotiate the exchange ratio for the stock component of the merger consideration to be paid to the Humana stockholders that resulted in an agreed upon per Humana share purchase price of \$125.00 in cash and 0.8375 of an Aetna common share.

On July 2, 2015, Goldman Sachs and Party X's financial advisor had a telephonic conversation to discuss Party X's offer. Party X's financial advisor indicated that Party X would be willing to revise its offer to increase the cash consideration portion of the offered purchase price, but that doing so would require a reduction in the overall purchase price due to increased financing costs that would be required as a result of the increase in the cash component of the consideration. Party X's financial advisor also communicated that Party X would not (i) commit to a timeline for the completion of due diligence, (ii) be willing to submit the revised offer in writing or (iii) provide assurance that the deal value would remain at \$225 per share of Humana's common stock less the increased financing costs referred to above.

On July 2, 2015, Humana's board of directors held a telephonic meeting. Members of Humana's management and representatives of Goldman Sachs and Fried Frank also participated in the meeting. At the meeting, representatives of Goldman Sachs updated the board regarding its discussions with Party X, including that Party X would be willing to revise its offer as described above. Mr. Broussard communicated to the board that management's recommendation was that the board decline to pursue Party X's offer in light of the uncertainty of the proposal, including the uncertainty due to the public offer for Party X then pending from Party Y, and that delaying negotiations with Aetna to engage in a due diligence process with Party X could jeopardize the pending negotiations with Aetna. Representatives of Fried Frank updated the board regarding the proposed merger agreement with Aetna. Also at the meeting, representatives of Goldman Sachs presented its financial analysis of the transaction, and rendered its oral opinion to Humana's board of directors, which was subsequently confirmed by delivery of a written opinion, dated July 2, 2015, to the effect that, as of such date and based upon and subject to the factors, qualifications, limitations and assumptions to be set forth in the



written opinion, the consideration to be paid to Humana's stockholders (other than Aetna and its affiliates) pursuant to the merger agreement was fair, from a financial point of view, to such stockholders, as more fully described below in the

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section Opinion of Humana's Financial Advisor beginning on page 113 of this joint proxy statement/prospectus. Following these presentations, and consideration of the factors described under the section Humana's Reasons for the Mergers; Recommendation of the Humana Board of Directors that Humana Stockholders Adopt the Merger Agreement beginning on page 104 of this joint proxy statement/prospectus, Humana's board of directors unanimously (i) determined that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana and its stockholders, (ii) approved and adopted the merger agreement with Aetna, (iii) directed that the adoption of the merger agreement be submitted to a vote at a meeting of Humana stockholders and (iv) recommended that Humana's stockholders adopt the merger agreement.

On July 2, 2015, the Aetna board of directors also held a telephonic meeting, which was attended by Aetna's senior management and representatives of Citi, Lazard, Davis Polk, Jones Day and Simpson Thacher. The board, management and their advisors discussed the terms of the merger agreement, the strategic and financial rationale of the proposed transaction, including the synergies expected to be realized in the transaction, management's expectation based on discussions with the rating agencies that Aetna would maintain its investment grade credit rating upon completion of the transaction, the merits and considerations of other strategic alternatives that Aetna might pursue and the impact of potential industry consolidation, and reviewed the directors' fiduciary duties in considering the proposed transaction. Citi then reviewed with the board its financial analysis of the merger consideration provided for in the merger agreement and rendered its oral opinion to the board, which was confirmed by delivery of a written opinion dated July 2, 2015, to the effect that, as of such date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna, as more fully described below in the section Opinions of Aetna's Financial Advisors Opinion of Citigroup Global Markets Inc. beginning on page 120 of this joint proxy statement/prospectus. Lazard then rendered its oral opinion to the board, subsequently confirmed in writing, that, as of July 2, 2015 and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna, as more fully described below in the section Opinions of Aetna's Financial Advisors Opinion of Lazard Frères & Co. LLC beginning on page 129 of this joint proxy statement/prospectus. After consideration and consultation with its advisors, including consideration of the factors described in the section Aetna's Reasons for the Mergers; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve the Stock Issuance beginning on page 109 of this joint proxy statement/prospectus, the Aetna board unanimously (i) determined that the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the stock issuance, are advisable and fair to and in the best interests of Aetna and its shareholders, (ii) approved and adopted the merger agreement, (iii) directed that the approval of the stock issuance be submitted to a vote at a meeting of Aetna shareholders and (iv) recommended that Aetna's shareholders approve the stock issuance.

That night, following the Humana and Aetna board meetings, Humana and Aetna entered into the merger agreement, and early in the morning of July 3, 2015, issued a joint press release announcing the transaction.

## **Certain Relationships between Aetna and Humana**

Aetna, Humana and their respective affiliates engage in transactions and enter into agreements with each other in the ordinary course of business. Aetna believes that no such transaction occurring in the current calendar year or the five immediately preceding calendar years had an aggregate value in excess of 1% of Aetna's consolidated revenues for the calendar year in which the transaction occurred. Except as described in this joint proxy statement/prospectus, there are and have been no past, present or proposed material contracts, arrangements, understandings, relationships, negotiations or transactions during the current calendar year or the five immediately preceding calendar years, between Aetna or its affiliates, on the one hand, and Humana or its affiliates, on the other hand, concerning a merger,

consolidation or acquisition, a tender offer for or other acquisition of securities, the election of directors, or the sale or other transfer of a material amount of assets.

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### **Humana's Reasons for the Mergers; Recommendation of the Humana Board of Directors that Humana Stockholders Adopt the Merger Agreement**

In its evaluation of the merger agreement, the mergers and the other transactions contemplated by the merger agreement, Humana's board of directors consulted with Humana's management and its legal and financial advisors and considered a number of factors, including the following (which are not necessarily in order of relative importance):

#### ***Strategic Factors***

the industry shift to consumer-based offerings (and attendant emphasis on wellness, preventative and other clinical offerings and direct distribution to consumers), the need for enhanced partnerships with providers to develop population health management capabilities, including the required enhanced technology, and the potential impact of such opportunities and risks on Humana's stand-alone operations and financial prospects;

the potential for long-term policy changes regarding value-based reimbursement of providers of health care services, the potential for new entrants into the industry in support of population health and value-based reimbursement arrangements, the potential consolidation of managed care companies and other industry participants, recent and prospective legislative and regulatory changes, and the potential impact of those industry risks and changes on Humana's stand-alone operations and financial prospects;

the current, historical and projected financial condition and results of operations of Humana on a stand-alone basis, including the risks to achieving its projected long-term results amid greater industry consolidation and the current and prospective regulatory environment; and

the fact that the merger consideration, which consists of cash and Aetna common shares, offers Humana's stockholders the opportunity to participate in the future earnings and growth of the combined company, while also providing Humana's stockholders with a substantial cash payment of \$125.00 per share;

#### ***Price and Structure***

the current and historical market prices for Humana common stock, including the fact that the implied value of the merger consideration of \$230.11 per share (as of July 2, 2015) represented an approximate premium of (i) 23% over the closing price per share of Humana common stock on July 2, 2015 (the last trading day prior to the announcement of the merger), (ii) 29% over the closing price per share of Humana common stock on May 28, 2015 (the last trading day prior to reports in the news media of rumors of a transaction involving Humana), and (iii) 34% over the volume-weighted average closing price per share of Humana common stock over the 30 days ended May 28, 2015;

the fact that the implied value of the merger consideration of \$230.11 per share (as of July 2, 2015) exceeded Wall Street analyst price targets for the shares of Humana common stock;

the fact that Humana's board of directors had carefully evaluated, in consultation with Humana's management and its financial and legal advisors, various strategic alternatives available to Humana, including remaining an independent company or pursuing other alternative transactions, and exploring the possibility of potential business combinations with other managed care companies (including Party X and Party Y), and the board's belief that the transaction with Aetna presented a more favorable opportunity for Humana's stockholders than the potential value that might result from other strategic alternatives available to Humana;

notwithstanding the publicity surrounding a potential transaction involving Humana over more than a month prior to July 2, 2015, and media speculation regarding Aetna's and Party Y's interest in a transaction with Humana, Humana had not received an acquisition proposal from any third party (other than Aetna and Party Y); and

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the fact that Goldman Sachs and Humana's legal advisors were involved throughout the negotiations and updated Humana's board of directors directly and regularly, which provided the board with perspectives on the negotiations from outside advisors in addition to those of management;

***Benefits and Synergies of the Combined Company***

the belief of Humana's board of directors that the combined company will be able to provide better value and higher-quality products and services by reducing administrative costs and leveraging best practices from each company, which will enable the combined company to better compete, and be well positioned to offer a broad choice of affordable, consumer-centric as well as innovative technology-driven health insurance products and services, helping to constrain cost growth, improve health outcomes, and promote wellness;

the belief of Humana's board of directors that the transaction combines complementary assets and capabilities to form a company with an enhanced ability that Humana could not achieve on a stand-alone basis to work with providers to create value-based payment and population health management capabilities that result in better care to consumers, to strengthen care management capabilities by taking the best-of-breed clinical engagement solutions from both companies, including robust offerings of patient-centered clinical services, clinical analytics, value-based reimbursement models, data integration and analytics solutions, to apply Humana's home-based care, clinical support and pharmacy benefit management tools across a broader membership base, and to offer members and insureds more consumer-focused capabilities and integrated clinical programs; and

the belief of Humana's board of directors that the combined company can generate \$1.25 billion in annual synergies by fiscal year 2018;

***Other Factors***

the opinion of Goldman Sachs to Humana's board of directors that, as of July 2, 2015, and based on and subject to the qualifications, limitations and assumptions set forth in that opinion, the merger consideration to be paid to the holders (other than Aetna and its affiliates) of shares of Humana common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders, and the financial analyses related thereto prepared by Goldman Sachs and described below under "Opinion of Humana's Financial Advisor" beginning on page 113 of this joint proxy statement/prospectus;

the fact that Aetna did extensive due diligence on Humana, including retaining a number of advisors and enlisting the assistance of many of its employees, demonstrating to Humana's board of directors that Aetna understood Humana and its business and was committed to the transaction;

the view of Humana's board of directors that Aetna could successfully consummate the mergers in a timely manner;

the fact that Aetna has obtained committed debt financing for the merger, the limited number and nature of the conditions to the debt financing and the obligation under the merger agreement of Aetna to use its reasonable best efforts to obtain the debt financing;

the fact that Humana's board of directors was unanimous in its determination to recommend the merger agreement for adoption by Humana's stockholders;

the due diligence investigation on Aetna conducted by Humana's management and outside advisors;

the fact that the merger agreement will be subject to the approval of Humana's stockholders;

the fact that Humana stockholders who do not vote to adopt the merger agreement and who follow certain procedures prescribed by Delaware law are entitled to appraisal rights under Delaware law;

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the fact that the mergers, taken together, are intended to qualify as a reorganization within the meaning of Section 368(a) of the Code;

the fact that four Humana directors, who have not yet been selected, will become directors of Aetna upon the completion of the mergers; and

the fact that because the exchange ratio under the merger agreement is fixed (and will not be adjusted for fluctuations in the market price of Aetna common shares or Humana common stock), Humana stockholders have greater certainty as to the number of Aetna common shares to be issued to them in the merger;

***Certain Terms of the Merger Agreement, including:***

Aetna is required to take all actions necessary to obtain regulatory approvals of the transaction, including agreeing to divestitures, unless such actions would result in a regulatory material adverse effect, as further described in The Merger Agreement Reasonable Best Efforts Covenant beginning on page 175 of this joint proxy statement/prospectus;

if the mergers are not completed because Aetna is unable to obtain certain regulatory approvals of the transaction, including the approval under the HSR Act or approval of state insurance and other regulators, Aetna will be required to pay Humana a termination fee of \$1 billion;

the limited ability of Aetna's board of directors to change its recommendation of the stock issuance to its shareholders, and the fact that Aetna will be required to pay Humana a termination fee of \$1.691 billion if Humana terminates the merger agreement as a result of (i) an adverse change of Aetna's board of directors recommendation of the stock issuance to its shareholders or (ii) Aetna's material breach of its no shop obligations or its obligation to call the Aetna special meeting to approve the stock issuance, or if (x) either party terminates the merger agreement as a result of the failure of Aetna's shareholders to approve the stock issuance, (y) an alternative transaction was publicly announced and not withdrawn prior to the Aetna special meeting, and (z) Aetna enters into or completes an alternative transaction within one year after termination;

the absence of a financing condition, and Aetna's representations, warranties and covenants related to obtaining the financing to complete the mergers;

Aetna does not have the right to terminate the merger agreement prior to the Aetna special meeting to vote on the stock issuance in order to enter into an alternative transaction should Aetna's board of directors determine such transaction is a superior proposal;

the requirement that Aetna hold the Aetna special meeting to vote on the stock issuance, even though Aetna's board of directors may have withdrawn its recommendation of the stock issuance;



Humana's ability, under certain circumstances, and subject to certain conditions, to furnish information to and to conduct negotiations with a third party that makes an unsolicited bona fide written proposal for a business combination or acquisition of Humana that is reasonably likely to lead to a proposal that is superior to the mergers;

Humana's board of directors, subject to certain conditions, has the right to change its recommendation of the transaction in response to a proposal to acquire Humana that is superior to the mergers or an intervening event with respect to Humana, if Humana's board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties to Humana's stockholders;

Humana's board of directors' conclusion, upon consultation with its advisors, that the deal protection provisions of the merger agreement were customary and reasonable for transactions of this type and would not preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal for Humana following the announcement of a transaction with Aetna;

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the end date under the merger agreement of June 30, 2016 (which may be extended to December 31, 2016 under certain circumstances) allows for sufficient time to complete the mergers;

Aetna has committed to make Louisville, Kentucky the headquarters for the Medicare and Medicaid businesses and to cause Humana LLC to maintain a significant corporate presence in Louisville, Kentucky; and

Humana may seek specific performance of Aetna's obligations under the merger agreement. In addition, Humana's board of directors also weighed the foregoing advantages and benefits against a variety of risks and other potentially negative factors, including the following:

the fact that the exchange ratio with respect to the stock portion of the merger consideration is fixed, which could result in Humana's stockholders being adversely affected by a decrease in the trading price of Aetna common shares;

the challenges inherent in the combination of two companies, including the risk that integration of the two companies may take more time and be more costly than anticipated, and the risk that the cost savings, synergies and other benefits expected to be obtained as a result of the mergers might not be fully or timely realized;

the amount of time it could take to complete the mergers, the potential for diversion of management focus for an extended period and employee attrition, the potential inability to hire new employees and the possible adverse effects of the announcement and pendency of the transaction on customers, providers, vendors, regulators and other business relationships, and the communities in which Humana operates, in particular if the mergers are not completed;

the restrictions under the terms of the merger agreement on the conduct of Humana's business prior to the completion of the mergers, which could delay or prevent Humana from undertaking material strategic opportunities that might arise pending completion of the mergers to the detriment of Humana's stockholders, in particular if the mergers are not completed;

the risk that Aetna and Humana might not meet their financial projections;

the fact that Humana and Aetna must obtain clearance under the HSR Act, as well as other approvals from state insurance and other regulators, in order to complete the mergers, which approvals may not be obtained or may be subject to conditions that Aetna is not required to comply with;

certain terms of the merger agreement, including:

the limitation on Humana's ability to solicit alternative proposals;

the fact that Humana does not have the right to terminate the merger agreement prior to the Humana special meeting to vote on the merger agreement in order to enter into an alternative transaction that Humana's board of directors has determined to be a superior proposal;

the requirement that Humana hold a stockholders' meeting to vote on the merger agreement, even though Humana's board of directors may have withdrawn its recommendation of the merger agreement;

the fact that Aetna does not have to complete the mergers if Aetna and Humana would be required to take actions to obtain regulatory approvals that would have a regulatory material adverse effect on Aetna or Humana;

Aetna's ability, under certain circumstances, and subject to certain conditions, to furnish information to and to conduct negotiations with a third party that makes an unsolicited bona fide written proposal for a business combination or acquisition of Aetna that is reasonably likely to lead to a proposal that is superior to the mergers;

the fact that Aetna's board of directors, subject to certain conditions, has the right to change its recommendation of the stock issuance in response to a proposal to acquire Aetna that is superior

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to the mergers or an intervening event with respect to Aetna, if Aetna's board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties; and

the fact that Humana will be required to pay Aetna a termination fee of \$1.314 billion, which Humana's board of directors, upon consultation with its advisors, concluded was customary and reasonable for transactions of this size and type, if the merger agreement is terminated under certain circumstances, including a termination of the merger agreement by Aetna as a result of a change of recommendation by Humana's board of directors in response to a proposal to acquire Humana that is superior to the mergers;

the risk that the mergers may not be completed, or that completion may be significantly delayed, for reasons beyond the control of Humana, including the failure to satisfy certain conditions to closing, including (i) the failure of Aetna's shareholders to approve the stock issuance, (ii) the failure to obtain the required regulatory approvals, and (iii) the imposition of any material CMS sanctions;

the fact that certain of Humana's directors and executive officers may receive certain benefits that are different from, and in addition to, those of Humana's other stockholders (see "Interests of Humana Directors and Officers in the Merger" beginning on page 188 of this joint proxy statement/prospectus);

the risks and uncertainties inherent in Aetna's business and operations;

the fact that any gain arising from the cash component of the merger consideration generally will be taxable to Humana's stockholders; and

the risks described in the section entitled "Risk Factors" beginning on page 61 of this joint proxy statement/prospectus.

After considering the foregoing potentially positive and potentially negative factors, Humana's board of directors concluded that, overall, the potentially positive factors relating to the merger agreement and the mergers outweighed the potentially negative factors.

The foregoing discussion of the information and factors considered by Humana's board of directors is not exhaustive but is intended to reflect the material factors considered by Humana's board of directors in its consideration of the merger agreement, the mergers and the other transactions contemplated by the merger agreement. In view of the complexity and the large number of factors considered, Humana's board of directors, individually and collectively, did not quantify or assign any relative or specific weight to the various factors. Rather, Humana's board of directors based its recommendation on the totality of the information presented to and considered by it. In addition, individual members of Humana's board of directors may have given different weights to different factors.

The foregoing discussion of the information and factors considered by Humana's board of directors is forward-looking in nature. This information should be read in light of the factors described under the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 71 of this joint proxy statement/prospectus.

After careful consideration, Humana's board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Humana and its stockholders, and unanimously declared advisable and in all respects approved and adopted the merger agreement, the merger and the other transactions contemplated by the merger agreement.

**HUMANA'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT.**

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**Table of Contents****Aetna's Reasons for the Mergers; Recommendation of the Aetna Board of Directors that Aetna Shareholders Approve the Stock Issuance**

In evaluating the merger agreement and the mergers, Aetna's board of directors consulted with Aetna's management and legal and financial advisors and, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement, including the stock issuance, and to recommend that Aetna's shareholders vote

**FOR** the approval of the stock issuance, Aetna's board of directors considered a variety of factors, including the following (which are not necessarily in order of relative importance):

***Strategic Factors***

Aetna believes that the acquisition of Humana will complement its competitive strategy, which is built on a diversified set of core and emerging businesses that enable it to better compete with more cost-effective products, pursue profitable growth across a range of opportunities and lead the transformation of the approximately \$2.9 trillion healthcare industry to a more consumer-focused marketplace. The acquisition of Humana and the combination of Humana's businesses with Aetna's existing businesses is expected to result in a number of strategic benefits, including:

***Enhance Medicare Advantage Business.*** Aetna believes Humana's strength in Medicare Advantage and Medicare Part D programs will complement Aetna's Medicare Advantage business and enhance Aetna's Medicare Part D membership, particularly as Aetna and Humana each have leading percentages of Medicare Advantage members in plans rated four Stars or higher by CMS. Aetna believes that the demographic trends in Medicare Advantage are favorable, and that more individuals will continue to choose Medicare Advantage products because of the quality and benefits offered by Medicare Advantage plans. Aetna's Medicare Advantage business, which excels in providing services to large and medium-sized employer groups, will be complemented by Humana's Medicare Advantage business, which places a greater emphasis on providing services to Medicare-eligible individuals. The acquisition will also expand Aetna's presence in important local geographies and provide additional opportunities to further grow membership in areas where Aetna and Humana do not overlap. Aetna expects the mergers to allow it to more effectively serve this fast-growing population. After the mergers, Aetna will have 4.4 million Medicare Advantage members, which represents only 8 percent of the 54 million Medicare beneficiaries in the rapidly growing Medicare marketplace, and so Medicare represents a significant growth opportunity.

***Complement Existing Commercial Business.*** The addition of Humana's businesses is expected to complement Aetna's commercial presence and further diversify Aetna's commercial portfolio by increasing its individual and small group presence. In addition, the application of Aetna's commercial experience, systems and processes across Humana's commercial business, and particularly its commercial businesses serving larger groups, is expected to generate additional savings and growth.

***Create a Leading Health Care Services and Pharmacy Benefit Management Business.*** Integrating Humana's growing health care services business, including its strong pharmacy benefit management business, into Aetna's existing portfolio of businesses is expected to increase Aetna's overall service revenue, improve its product offerings to providers, other health plans and consumers, and will enable Aetna to better compete in this high-growth, high-margin segment of the managed care industry. Additionally, the strong cash flows from these unregulated businesses will enhance the financial flexibility of the combined

company.

***Improve Medicaid Footprint and High Acuity Opportunity.*** The acquisition of Humana will enhance Aetna's existing Medicaid footprint in four states. Furthermore, the combination of Aetna's Medicaid and Individual businesses with Humana's individual Medicare Advantage business is expected to create more opportunity to participate in the expansion of Medicaid programs and, in particular, to pursue high-acuity populations that are eligible for both Medicare and Medicaid as they transition to managed care.

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***Local Hospital and Physician Relationships.*** Humana has strong local hospital and physician relationships and a presence in geographies where Aetna desires to improve (or expand) its provider network and introduce its Accountable Care Solutions model. The mergers also are expected to improve the products Aetna can offer its hospital and physician partners and expand the marketing opportunities for Aetna's industry-leading provider solutions suite (Healthagen) and Humana's provider capabilities (Transcend and Transcend Insights).

***Increase Operating Efficiency.*** The mergers are expected to create a significant opportunity to increase Aetna's operating efficiency by spreading Aetna's operating costs across a larger membership base. Acquiring Humana is expected to provide additional opportunities to find administrative cost savings, as well as provider network and medical management savings. These cost synergies, which the Aetna board of directors believes will be \$1.25 billion per year by fiscal year 2018, are expected to enable Aetna to offer all its customers more affordable, consumer-centric health care products and services. Although Aetna management expects that cost savings will result from the mergers, there can be no assurance that any particular amount of cost savings will be achieved following completion of the mergers or the time frame in which they will be achieved. After completion of the mergers, Aetna may fail to realize the anticipated benefits and cost savings of the mergers, which could adversely affect the value of Aetna common shares. See *Cautionary Statement Regarding Forward-Looking Statements* and *Risk Factors* beginning on pages 71 and 61, respectively, of this joint proxy statement/prospectus.

***Enhance Consumer Engagement Efforts.*** Humana's significant investment in consumer engagement, which has contributed to its annual membership growth, enhanced its capabilities focused on serving individuals and supported its strong brand (as evidenced by Humana's net promoter score), is expected to further enhance Aetna's ability to market to consumers and offer effective clinical engagement and consumer experience capabilities.

***Other Factors***

In addition to the strategic factors summarized above, Aetna's board of directors also considered the following factors in connection with its evaluation of the mergers:

the respective businesses, operations, management, financial condition, earnings and prospects of Aetna and Humana;

the results of management's due diligence investigation of Humana and the reputation, business practices and experience of Humana and its management;

the historical trading prices of Aetna common shares and shares of Humana common stock;

the review by Aetna's board of directors with its legal and financial advisors of the structure of the mergers and the financial and other terms of the merger agreement;



trends and competitive developments in the managed care industry and the range of strategic alternatives available to Aetna;

*Price and Structure*

the fact that, because holders of outstanding Aetna common shares as of immediately prior to completion of the mergers are expected to hold approximately 73% of the outstanding Aetna common shares immediately after completion of the mergers, Aetna shareholders are expected to have the opportunity to participate in the future performance of the combined company, including synergies;

the fact that because the exchange ratio under the merger agreement is fixed (and will not be adjusted for fluctuations in the market price of Aetna common shares or Humana common stock), Aetna has greater certainty as to the number of Aetna common shares to be issued in the merger;

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the terms of the debt commitment letter and the bridge loan facility thereunder, particularly in light of the then-current market for such commitments and facilities;

the analyses of Citi and the opinion of Citi, rendered on July 2, 2015 and subsequently confirmed in writing, to the Aetna board of directors that, as of such date, and based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna. See Opinions of Aetna's Financial Advisors Opinion of Citigroup Global Markets Inc. beginning on page 120 of this joint proxy statement/prospectus; and

the analyses of Lazard and the opinion of Lazard, rendered on July 2, 2015 and subsequently confirmed in writing, to the Aetna board of directors that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth in the written opinion, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna. See Opinions of Aetna's Financial Advisors Opinion of Lazard Frères & Co. LLC beginning on page 129 of this joint proxy statement/prospectus;

*Certain Other Factors*

the fact that, while Aetna is obligated to use its reasonable best efforts to complete the mergers, such efforts standard does not obligate Aetna to take any actions or agree to any terms, conditions or limitations as a condition to, or in connection with, obtaining any regulatory approvals required to complete the mergers that would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect;

the requirement under the merger agreement that (i) following completion of the mergers, Aetna has agreed to maintain the corporate headquarters of the combined company's Medicare and Medicaid businesses in Louisville, Kentucky, and Humana LLC will be required to maintain a significant corporate presence in Louisville, Kentucky, (ii) at completion of the mergers, the size of the Aetna board of directors will be expanded to include four members of the board of directors of Humana who are independent with respect to Aetna and jointly designated by Humana and Aetna prior to completion of the merger, and (iii) Mark T. Bertolini will continue to serve as Chairman and Chief Executive Officer of Aetna following the completion of the mergers;

Aetna's ability, under circumstances described in the merger agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide written acquisition proposal;

the ability of Aetna's board of directors, subject to certain conditions, to change its recommendation in favor of the stock issuance in response to a superior proposal or an intervening event other than a superior proposal, if Aetna's board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties;

the requirement that Humana must submit the merger to its stockholders for adoption even if Humana's board of directors recommends in favor of an alternative acquisition proposal, which will allow Aetna, in these circumstances, to make its case directly to Humana stockholders regarding the benefits of the mergers compared to the alternatives; and

the fact that Humana is required to pay Aetna a termination fee of \$1.314 billion if the merger agreement is terminated under certain circumstances generally relating to an alternative acquisition proposal for Humana. Aetna's board of directors also considered a number of uncertainties and risks in its deliberations concerning the merger, including the following:

the dilution associated with the stock issuance;

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the risk that the mergers may not be completed despite the parties' efforts or that completion of the mergers may be delayed, even if the requisite approvals are obtained from Aetna shareholders and Humana stockholders, including the possibility that conditions to the parties' obligations to complete the mergers may not be satisfied, and the potential resulting disruptions to Aetna's and Humana's businesses;

the potential length of the regulatory approval process and the period of time during which Aetna may be subject to the merger agreement;

the possibility that governmental authorities might seek to require certain actions of Aetna or Humana or impose certain terms, conditions or limitations on Aetna's or Humana's businesses in connection with granting approval of the mergers or might otherwise seek to prevent or delay the mergers, including the risk that governmental authorities might seek an injunction in federal court;

the fact that Aetna is required to pay Humana a termination fee of \$1 billion if the merger agreement is terminated under certain circumstances due to the failure to obtain the required regulatory approvals for the mergers;

the fact that Aetna has incurred and will continue to incur significant transaction costs and expenses in connection with the mergers, regardless of whether they are completed;

the risk that the potential benefits of the mergers may not be fully realized, including the possibility that cost savings and operating efficiencies expected to result from the mergers may not be realized to the extent expected, or at all;

the risk of diverting Aetna management focus and resources from other strategic opportunities and from operational matters, and potential disruption of Aetna management associated with the mergers and integrating the companies;

the fact that Aetna will be subject to certain restrictions on the conduct of its businesses during the period between signing the merger agreement and completion of the mergers, which could prevent Aetna from making certain acquisitions or divestitures or otherwise pursuing certain business opportunities during the pendency of the mergers;

Humana's ability, under circumstances described in the merger agreement, to provide information to and engage in discussions or negotiations with a third party that makes an unsolicited bona fide written acquisition proposal;

the ability of Humana's board of directors, subject to certain conditions, to change its recommendation supporting the mergers in response to a superior proposal or an intervening event other than a superior

proposal, if Humana's board of directors determines that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties;

the requirement that Aetna must submit the merger to its shareholders even if Aetna's board of directors recommends an acquisition proposal for Aetna;

the fact that Aetna is required to pay Humana a termination fee of \$1.691 billion if the merger agreement is terminated under certain circumstances generally relating to an acquisition proposal for Aetna;

the absence of a financing condition, and Humana's ability to specifically enforce Aetna's obligations under the merger agreement;

the potential negative effects of the pendency of the mergers on Aetna's businesses and relationships with employees, customers, providers, vendors, regulators and the communities in which it operates, including the risk that certain key members of senior management of Aetna or Humana might not choose to remain with the combined company; and

various other risks associated with the mergers and the businesses of Aetna, Humana and the combined company described under "Risk Factors," beginning on page 61 of this joint proxy statement/prospectus.

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During its consideration of the mergers, Aetna's board of directors was also aware that certain of Humana's directors and executive officers may have interests in the mergers that are different from or in addition to those of Humana stockholders generally, as described in the section entitled "Interests of Humana's Directors and Executive Officers in the Merger" beginning on page 188 of this joint proxy statement/prospectus.

The above discussion of the material factors considered by Aetna's board of directors in its consideration of the mergers and the other transactions contemplated by the merger agreement is not intended to be exhaustive, but does set forth the principal factors considered by Aetna's board of directors. In light of the number and wide variety of factors considered in connection with the evaluation of the mergers, Aetna's board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its final decision. Aetna's board of directors viewed its position as being based on all of the information available to it and the factors presented to and considered by it. However, some directors may themselves have given different weight to different factors. The factors, potential risks and uncertainties contained in this explanation of Aetna's reasons for the mergers and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 71 of this joint proxy statement/prospectus.

**THE AETNA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT AETNA SHAREHOLDERS VOTE FOR THE STOCK ISSUANCE.**

**Opinion of Humana's Financial Advisor**

Goldman Sachs delivered its opinion to Humana's board of directors that, as of July 2, 2015, and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid to holders (other than Aetna and its affiliates) of shares of Humana's common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

**The full text of the written opinion of Goldman Sachs, dated July 2, 2015, which sets forth assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this joint proxy statement/prospectus. Goldman Sachs provided its opinion for the information and assistance of Humana's board of directors in connection with its consideration of the mergers. The Goldman Sachs opinion does not constitute a recommendation as to how any holder of Humana's common stock should vote with respect to the mergers or any other matter.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to stockholders and Annual Reports on Form 10-K of Humana and Aetna for the five years ended December 31, 2014;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Humana and Aetna;

certain other communications from Humana and Aetna to their respective stockholders;

certain publicly available research analyst reports for Humana and Aetna; and

the Humana projections, the adjusted Aetna projections and certain operating synergies projected by the managements of Humana and Aetna to result from the mergers, which are referred to in this joint proxy statement/prospectus as the prospective operating synergies, in each case, approved for Goldman Sachs use by Humana.

Goldman Sachs also held discussions with members of the senior managements of Humana and Aetna regarding their assessment of the strategic rationale for, and the potential benefits of, the mergers and the past

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and current business operations, financial condition and future prospects of Humana and Aetna. In addition, Goldman Sachs reviewed the reported price and trading activity for shares of Humana's common stock and Aetna's common shares, compared certain financial and stock market information for Humana and Aetna with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the managed care industry, and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering the opinion described above, Goldman Sachs, with the consent of Humana, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with the consent of Humana that the Humana projections, the adjusted Aetna projections and the prospective operating synergies were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Humana. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Humana or Aetna or any of their respective subsidiaries nor was Goldman Sachs furnished with any such evaluation or appraisal. Goldman Sachs is not an actuary, and its services did not include any actuarial determination or evaluation by Goldman Sachs or any attempt to evaluate actuarial assumptions and Goldman Sachs relied on Humana's actuaries with respect to reserve adequacy. In that regard, Goldman Sachs made no analysis of, and expressed no opinion as to, the adequacy of the loss and loss adjustments expenses reserves, the future policy benefit reserves, the long-term business provision and claims outstanding or the embedded value of Humana and Aetna. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the completion of the mergers will be obtained without any adverse effect on Humana or Aetna or on the expected benefits of the mergers in any way meaningful to Goldman Sachs' analysis. Goldman Sachs also assumed that the mergers will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs analysis.

Goldman Sachs' opinion did not address the underlying business decision of Humana to engage in the mergers, or the relative merits of the mergers as compared to any strategic alternatives that may be available to Humana; nor did it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addressed only the fairness from a financial point of view to the holders (other than Aetna and its affiliates) of the shares of Humana's common stock, as of July 2, 2015, of the merger consideration to be paid to such holders pursuant to the merger agreement. Goldman Sachs did not express any view on, and Goldman Sachs' opinion did not address, any other term or aspect of the merger agreement or the mergers or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the mergers, including, the fairness of the mergers to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Humana; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Humana, or class of such persons, in connection with the mergers, whether relative to the merger consideration to be paid to the holders (other than Aetna or its affiliates) of the shares of Humana's common stock pursuant to the merger agreement or otherwise. Goldman Sachs did not express any opinion as to the prices at which Aetna common shares will trade at any time or as to the impact of the mergers on the solvency or viability of Humana or Aetna or the ability of Humana or Aetna to pay their respective obligations when they come due. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, July 2, 2015, and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' advisory services and its opinion were provided for the information and assistance of Humana's board of directors in connection with its consideration of the mergers and its opinion does not constitute a recommendation as to how any holder of Humana's common stock should vote with



respect to the mergers or any other matter. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

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The following is a summary of the material financial analyses delivered by Goldman Sachs to Humana's board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before July 2, 2015 (the last trading day prior to the announcement of the mergers) and is not necessarily indicative of current market conditions.

*Historical Trading Analyses*

Goldman Sachs reviewed the premiums represented by the implied value of the merger consideration based on (i) the closing price of Aetna common shares on July 2, 2015 and May 28, 2015, the last trading date before rumors of a possible transaction between Aetna and Humana were reported in the *Wall Street Journal*, and (ii) the average closing price of Aetna common shares over the 30-day, 1-year and 3-year time periods ended July 2, 2015, over (x) the closing price of shares of Humana common stock on July 2, 2015 and May 28, 2015, and (y) the average closing price of shares of Humana common stock over the 30-day, 1-year and 3-year time periods ended July 2, 2015, respectively, as follows:

a premium of 22.7% based on the closing prices of Aetna common shares and shares of Humana common stock on July 2, 2015;

a premium of 24.7% based on the closing prices of Aetna common shares and shares of Humana common stock on May 28, 2015;

a premium of 26.6% based on the average closing prices of Aetna common shares and shares of Humana common stock for the 30-day period ended July 2, 2015;

a premium of 38.8% based on the average closing prices of Aetna common shares and shares of Humana common stock for the 1-year period ended July 2, 2015; and

a premium of 72.3% based on the average closing prices of Aetna common shares and shares of Humana common stock for the 3-year period ended July 2, 2015.

*Selected Companies Analysis*

Goldman Sachs reviewed and compared certain financial information for Humana to corresponding financial information, ratios and public market multiples for the following publicly traded corporations in the healthcare industry, which are referred to in this joint proxy statement/prospectus as the selected companies:

The following selected managed care companies:

CIGNA Corporation

Anthem, Inc.

UnitedHealth Group Inc.

Aetna Inc.

The following selected specialized managed care companies:

Universal American Corp.

Centene Corporation

Health Net, Inc.

Molina Healthcare, Inc.

WellCare Health Plans, Inc.

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Although none of the selected companies is directly comparable to Humana, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Humana. Goldman Sachs calculated and compared various financial multiples and ratios based on estimates from the Institutional Brokers Estimate System, which is referred to in this joint proxy statement/prospectus as IBES, publicly available Wall Street research, the Humana projections, adjusted Aetna projections and market information, in each case as of July 1, 2015 (only with respect to Centene Corporation and Health Net, Inc.) and July 2, 2015. With respect to Humana and each of the selected companies, Goldman Sachs calculated the following multiples:

EV/2015E EBITDA (calculated as enterprise value, which is referred to in this joint proxy statement/prospectus as EV, which is the market capitalization of the selected company that Goldman Sachs derived based on the closing price of the shares of the applicable selected company's common stock and the number of shares of common stock outstanding on a fully diluted basis, plus the net debt amount (defined as total debt less unrestricted cash) as most recently publicly reported by the applicable selected company, in each case as a multiple of estimated EBITDA (adjusted for certain non-recurring charges and investment income (with respect to CIGNA Corporation only, investment income net of interest expense) as most recently publicly reported by the applicable selected company), for calendar year 2015);

2016E P/E (calculated as closing price of the shares of the applicable company's common stock, in each case as a multiple of the estimated earnings per share, which is referred to in this joint proxy statement/prospectus as EPS, for calendar year 2016); and

2016E P/E/G (calculated as the P/E multiple derived for such selected companies based on estimated EPS for calendar year 2016, in each case as a multiple of the estimated 5-year cumulative average EPS growth rate).

The results of these analyses are summarized in the table below.

<b>Metric</b>	<b>High</b>	<b>Low</b>	<b>Median</b>
Managed Care Selected Companies EV/2015E EBITDA	12.1x	10.4x	10.8x
Healthcare Selected Companies EV/2015E EBITDA	19.6x	9.6x	9.9x
<i>Humana (IBES/Wall Street research) 10.0x</i>			
<i>Humana (Humana projections) 10.3x</i>			
Managed Care Selected Companies 2016E P/E	17.0x	14.7x	15.4x
Healthcare Selected Companies 2016E P/E	31.8x	16.5x	20.3x
<i>Humana (IBES/Wall Street research) 18.1x</i>			
<i>Humana (Humana projections) 17.2x</i>			
Managed Care Selected Companies 2016E P/E/G	1.4x	1.1x	1.2x
Healthcare Selected Companies 2016E P/E/G	1.5x	0.3x	0.7x
<i>Humana (IBES/Wall Street research) 1.1x</i>			
<i>Humana (Humana projections) 1.1x</i>			

*Illustrative Present Value of Future Share Price Analysis*

Goldman Sachs performed an illustrative analysis of the implied present value of the future price per share of Humana's common stock using the Humana projections, which is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's estimated future earnings and its assumed price to future EPS multiple. For this analysis, Goldman Sachs used certain financial information from the Humana projections for each of the calendar years 2016 to 2020.

Goldman Sachs first calculated the implied values per share of Humana's common stock for calendar years 2015 to 2019 by applying next-twelve-months EPS multiples of 15.0x to 19.4x, and then calculated implied

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present values per share of Humana's common stock as of July 2, 2015, by applying to such implied values per share of Humana's common stock, as well as the values of the dividends per share projected to be paid by Humana for each of the calendar years 2015 to 2019, a discount rate of 8.25%, reflecting an estimate of Humana's cost of equity. The following table presents the results of these analyses:

2015	2016	2017	2018	2019
\$153.09 - \$197.99	\$155.98 - \$201.41	\$167.99 - \$216.65	\$180.98 - \$233.16	\$190.37 - \$245.02

***Illustrative Discounted Cash Flow Analysis***

Goldman Sachs performed an illustrative discounted cash flow analysis of Humana based on estimates of unlevered free cash flows of Humana as reflected in the Humana projections to derive an illustrative range of implied present values per share for Humana as of March 31, 2015. Utilizing discount rates ranging from 7.00% to 8.00%, reflecting estimates of Humana's weighted average cost of capital, Goldman Sachs derived an illustrative range of implied enterprise values for Humana by discounting to present value as of March 31, 2015, (1) estimates provided by Humana management of unlevered free cash flows of Humana for the nine months ending December 31, 2015 and each of the fiscal years 2016 through 2020, as reflected in the Humana projections, and (2) a range of illustrative terminal values for Humana by applying illustrative perpetuity growth rates ranging from 1.0% to 2.0% to Humana management's estimated terminal unlevered free cash flow for Humana as reflected in the Humana projections. Goldman Sachs then added the present value of the illustrative terminal value with the present values of the unlevered free cash flows for each of the nine months ending December 31, 2015 and the fiscal years 2016 to 2020 and subtracted the assumed amount of Humana's net debt as of March 31, 2015 (based on public filings and management guidance) to calculate a range of illustrative equity values for Humana. Goldman Sachs then divided this range of illustrative equity values by the number of fully diluted shares of Humana common stock based on data and calculations provided by Humana management to derive a range of illustrative present values per share of Humana common stock of \$177.81 to \$245.13.

***Illustrative Pro Forma Combined Company Discounted Cash Flow Analysis***

Goldman Sachs performed an illustrative discounted cash flow analysis of the combined company based on estimates of unlevered free cash flows of Humana and Aetna as reflected in the Humana projections and the adjusted Aetna projections, respectively, and the prospective operating synergies to derive an illustrative range of implied present values, as of March 31, 2015, of the merger consideration to be paid to holders (other than Aetna and its affiliates) of shares of Humana common stock following completion of the mergers. Utilizing discount rates ranging from 7.00% to 8.00%, reflecting pro forma estimates of the weighted average cost of capital of the combined company following the completion of the mergers, Goldman Sachs derived an illustrative range of implied enterprise values for the combined company by discounting to present value as of March 31, 2015, (1) estimates provided by Humana management of unlevered free cash flows of the combined company for the fiscal years 2016 through 2020, as reflected in the Humana projections and the adjusted Aetna projections, respectively, and the prospective operating synergies and (2) a range of illustrative terminal values for the combined company by applying illustrative perpetuity growth rates ranging from 1.0% to 2.0% to Humana management's estimated terminal unlevered free cash flow for the combined company as reflected in the Humana projections and the adjusted Aetna projections, respectively, and the prospective operating synergies. Goldman Sachs then added the present value of the illustrative terminal value with the present values of the unlevered free cash flows for each of the fiscal years 2016 to 2020 and subtracted the assumed amount of the combined company's net debt, as estimated and provided to Goldman Sachs by the management of Humana, to calculate a range of illustrative equity values for the combined company. Goldman Sachs then divided this range of illustrative equity values by the number of pro forma fully diluted shares of common stock for the company based on

data and calculations provided by Humana management to derive a range of illustrative present values per share of the common shares of the combined company. Goldman Sachs then derived a range of illustrative implied present values of the merger consideration to be paid to the holders (other than Aetna and its affiliates) of shares of Humana common stock in the merger by adding the \$125.00 of cash component of the merger consideration to the range of illustrative present

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values per 0.8375 pro forma shares of common stock of the combined company, representing the stock component of the merger consideration, to derive a range of illustrative implied present values for the merger consideration per share of Humana common stock of \$218.17 to \$273.78.

*Illustrative Value of Offer Analysis*

Goldman Sachs also performed an illustrative value of offer analysis using the Humana projections and the adjusted Aetna projections, respectively, and the prospective operating synergies, assuming that the merger is consummated on December 31, 2015, and using the applicable discount rate of 8.25% based on estimated cost of equity for the combined company, to calculate the implied present value of the merger consideration to be paid to holders (other than Aetna and its affiliates) of shares of Humana common stock in the merger. Using a range of illustrative next-twelve-months EPS multiples of 15.1x to 18.8x, which range was based on the estimated next-twelve-months EPS multiples of both Aetna and Humana, Goldman Sachs calculated an illustrative implied value of the stock component of the merger consideration, by discounting to present values, as of July 2, 2015, (i) the estimated value per 0.8375 pro forma shares of common stock of the combined company as of December 31 of each of the fiscal years 2015 to 2018, calculated based on the projected EPS of the combined company on a pro forma basis following completion of the mergers, including the prospective operating synergies, for each fiscal year following such fiscal year, and (ii) the projected cumulative dividends to be paid by the combined company on a pro forma basis with respect to such shares as of December 31 of each of the fiscal years 2016 to 2019. Goldman Sachs then calculated the illustrative implied present value to be received for each share of Humana common stock in the merger by adding the \$125.00 cash component of the merger consideration plus the illustrative implied present value of the stock component of the merger consideration. This analysis indicated the following illustrative ranges of present values for the merger consideration:

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$230.68 - \$256.70	\$233.67 - \$260.23	\$238.91 - \$266.56	\$242.17 - \$270.44

*Premiums in Selected Precedent Transactions*

Goldman Sachs observed that the implied value of the merger consideration to be paid to the holders (other than Aetna or its affiliates) of shares of Humana common stock of \$230.11 represented a premium of 29.0% compared to the closing price of \$178.41 per share on May 28, 2015. Goldman Sachs also observed that the premium represented by the consideration paid in other public transactions in the managed care industry since 2002 with a value greater than \$1 billion ranged from 9.4% to 43.0%.

*General*

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company used in the above analyses as a comparison is directly comparable to Humana or Aetna.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to Humana's board of directors as to the fairness from a financial point of view of the merger consideration to be paid to the holders (other



than Aetna or its affiliates) of outstanding shares of Humana's common stock pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous

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factors or events beyond the control of the parties or their respective advisors, none of Humana, Aetna, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arm's-length negotiations between Humana and Aetna and was approved by Humana's board of directors. Goldman Sachs provided advice to Humana during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Humana or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the mergers.

As described above, Goldman Sachs' opinion to Humana's board of directors was one of many factors taken into consideration by Humana's board of directors in making its determination to approve the merger agreement. See Humana's Reasons for the Mergers; Recommendation of the Humana Board of Directors that Humana Stockholders Adopt the Merger Agreement beginning on page 104 of this joint proxy statement/prospectus. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with its fairness opinion and is qualified in its entirety by reference to the full text of the written opinion of Goldman Sachs attached as Annex C to this joint proxy statement/prospectus.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Humana, Aetna, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the mergers. Goldman Sachs acted as financial advisor to Humana in connection with, and participated in certain of the negotiations leading to, the mergers. Goldman Sachs has provided certain financial advisory and/or underwriting services to Humana and/or its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including having acted as Humana's financial advisor in connection with the divestiture of Concentra Inc. in March 2015; as a co-manager for Humana's \$1.75 billion bond offering in September 2014; and as Humana's financial advisor in connection with the acquisition of American Eldercare Inc. in September 2013. During the two year period prior to July 2, 2015, Goldman Sachs Investment Banking Division has received compensation for providing financial advisory and underwriting services to Humana and its affiliates in an amount equal to \$10.7 million in the aggregate. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Aetna and/or its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including having acted as lead bookrunner and co-structuring agent in the structuring of \$200 million catastrophe bonds for Vitality Re VI Limited, a vehicle linked to a portfolio of Aetna insurance products, in January 2015; as co-manager in a public offering by Aetna of its 3.500% Senior Notes due 2024 (aggregate principal amount of \$750 million) in November 2014; as co-manager in a public offering by Aetna of its 4.750% Senior Notes due 2044 (aggregate principal amount of \$375 million), and 2.200% Senior Notes due 2019 (aggregate principal amount of \$375 million), in March 2014; and as lead bookrunner and co-structuring agent in the structuring of \$200 million catastrophe bonds for Vitality Re V Limited, a vehicle linked to a portfolio of Aetna insurance products, in February 2014. During the two year period prior to July 2, 2015, Goldman Sachs Investment Banking Division has received compensation for providing financial advisory and underwriting services to Aetna and its affiliates in an amount equal to \$3.7 million in the aggregate. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Humana, Aetna and their respective affiliates for which its Investment Banking Division may receive compensation.

Humana's board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the mergers. Pursuant to a letter agreement dated June 23, 2015, Humana engaged Goldman Sachs to act as its financial advisor in connection with the

contemplated mergers. Pursuant to the terms of this engagement letter, Humana has agreed to pay Goldman Sachs a transaction fee of approximately \$41 million, \$3 million of which became payable upon execution of the merger agreement, and the balance of which is payable upon completion of the

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mergers. In addition, Humana has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

**Opinions of Aetna's Financial Advisors**

***Opinion of Citigroup Global Markets Inc.***

Aetna has retained Citi as one of its financial advisors to advise the Aetna board of directors in connection with the mergers. In connection with Citi's engagement, Aetna requested Citi to evaluate the fairness, from a financial point of view, of the merger consideration to be paid in the merger by Aetna. On July 2, 2015, Citi rendered its oral opinion to the Aetna board of directors, which was confirmed by delivery of a written opinion dated July 2, 2015, to the effect that, as of such date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, the merger consideration to be paid by Aetna in the merger was fair, from a financial point of view, to Aetna.

**The full text of Citi's written opinion, dated July 2, 2015, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to this joint proxy statement/prospectus as Annex D and is incorporated into this joint proxy statement/prospectus by reference in its entirety. The summary of Citi's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. You are urged to read the opinion carefully and in its entirety. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to the Aetna board of directors (in its capacity as such) in connection with its evaluation of the mergers and was limited to the fairness, from a financial point of view, as of the date of the opinion, to Aetna of the merger consideration to be paid by Aetna. Citi's opinion does not address any other aspects or implications of the mergers and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the mergers. Citi's opinion does not address the underlying business decision of Aetna to effect the mergers, the relative merits of the mergers as compared to any alternative business strategies that might exist for Aetna or the effect of any other transaction in which Aetna may engage. The following is a summary of Citi's opinion and the methodology that Citi used to render its opinion.**

In arriving at its opinion, Citi, among other things:

reviewed the merger agreement;

held discussions with certain senior officers, directors and other representatives and advisors of Aetna and certain senior officers and other representatives and advisors of Humana concerning the businesses, operations and prospects of Aetna and Humana;

examined certain publicly available business and financial information relating to Aetna and Humana;

examined certain financial forecasts and other information and data relating to Aetna and Humana which was provided to or discussed with Citi by the managements of Aetna and Humana, including the adjusted Humana projections, which are summarized in the section titled Unaudited Prospective Financial Information Adjusted Humana Projections beginning on page 139 of this joint proxy statement/prospectus, and information relating to the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the management of Aetna to result from the mergers, which are referred to in this joint proxy statement/prospectus as the estimated synergies;

reviewed the financial terms of the mergers as set forth in the merger agreement in relation to, among other things, current and historical market prices and trading volumes of Aetna common shares and Humana common stock, the historical and projected earnings and other operating data of Aetna and Humana and the capitalization and financial condition of Aetna and Humana;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the mergers;

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analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Aetna and Humana;

evaluated certain potential pro forma financial effects of the mergers on Aetna based on the information provided to Citi by the management of Aetna; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of the managements of Aetna and Humana that they were not aware of any relevant information that was omitted or that remained undisclosed to Citi. With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Citi, relating to Humana and Aetna and, in the case of certain potential pro forma financial effects of and strategic implications and operational benefits resulting from the mergers, relating to Aetna, Citi was advised by the respective managements of Humana and Aetna that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Humana and Aetna as to the future financial performance of Humana and Aetna, respectively, such strategic implications and operational benefits and the other matters covered thereby, and Citi assumed, with Aetna's consent, that the financial results (including the potential strategic implications and operational benefits anticipated to result from the mergers) reflected in such forecasts and other information and data would be realized in the amounts and at the times projected.

Citi also assumed, with Aetna's consent, that each of the mergers will be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the mergers, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Humana or Aetna or the contemplated benefits of the mergers. Citi assumed, with Aetna's consent, that the mergers, taken together, will be treated as a tax-free reorganization for federal income tax purposes. Citi did not express any opinion as to what the value of the stock component of the merger consideration actually will be when issued pursuant to the merger or the price at which Aetna common shares will trade at any time. Citi did not make and it was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Humana or Aetna and Citi did not make any physical inspection of the properties or assets of Humana or Aetna. Citi expressed no view as to, and its opinion did not address, the underlying business decision of Aetna to effect the mergers, the relative merits of the mergers as compared to any alternative business strategies that might exist for Aetna or the effect of any other transaction in which Aetna might engage. Citi also expressed no view as to, and Citi's opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the mergers, or any class of such persons, relative to the merger consideration. Citi's opinion was necessarily based upon information available to it, and financial, stock market and other conditions and circumstances existing, as of July 2, 2015.

In preparing its opinion, Citi performed a variety of financial, comparative and other analyses, including those described below. The summary of these analyses is not a complete description of the analyses underlying, or the factors considered in connection with, Citi's opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Citi arrived at its ultimate opinion based on the results of all analyses undertaken

by it and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion. Accordingly, Citi believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

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In its analyses, Citi considered, among other things, industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Aetna and Humana. No company, business or transaction used in those analyses as a comparison is identical or directly comparable to Aetna, Humana or the mergers, and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions reviewed.

The estimates contained in Citi's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, Citi's analyses are inherently subject to substantial uncertainty.

Citi was not requested to, and Citi did not, recommend the specific amount or form of consideration payable in the merger. The type and amount of consideration payable in the merger was determined through negotiations between Aetna and Humana, and the decision to enter into the mergers was solely that of the Aetna and Humana boards of directors. Citi's opinion was only one of many factors considered by the Aetna board of directors in its evaluation of the mergers and should not be viewed as determinative of the views of the Aetna board of directors or Aetna's management with respect to the mergers or the merger consideration.

**The following is a summary of the material financial analyses presented to the Aetna board of directors in connection with the delivery of Citi's opinion. Some of these analyses included public information, including observed multiples, that had been updated to the latest available information as of the time of the presentation and which were presented orally to the Aetna board of directors at its meeting on July 2, 2015. The financial analyses summarized below include information presented in tabular format. In order to fully understand Citi's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Citi's financial analyses. All of the equity reference ranges, other than with respect to the historical trading analysis, have been rounded to the nearest dollar unless indicated otherwise.**

### *Valuation Analyses of Humana*

In connection with Citi's financial analysis summarized below, Citi reviewed the Humana projections and the adjusted Humana projections, and Citi was instructed by Aetna's management to use the adjusted Humana projections for purposes of its analysis and rendering its opinion.

### *Selected Public Companies Analysis*

Citi reviewed financial and stock market information for Humana and each of the following large cap publicly traded managed care organizations (which are referred to in this joint proxy statement/prospectus as the large cap MCOs):

Aetna Inc.



UnitedHealth Group Inc.

Anthem, Inc.

CIGNA Corporation

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Citi also reviewed financial and stock market information for each of the following publicly traded Medicaid focused managed care organizations (which are referred to in this joint proxy statement/prospectus as the Medicaid MCOs):

Centene Corporation

Molina Healthcare, Inc.

WellCare Health Plans, Inc.

Citi selected the large cap MCOs based on its professional judgment and experience, taking into account, among other factors, the size of Humana and the large cap MCOs and the business mix of Humana and the large cap MCOs. Citi selected the Medicaid MCOs based on its professional judgment and experience, taking into account, among other factors, the comparable focus on government programs of Humana and the Medicaid MCOs. Although none of the selected companies is directly comparable to Humana, the companies were chosen because they are publicly traded companies with operations or businesses that for purposes of analysis may be considered similar or reasonably comparable to those of Humana. In order for this analysis to reflect unaffected trading prices and market multiples, Citi used the closing stock prices as of June 12, 2015 for each of the large cap MCOs, the closing stock price as of May 28, 2015 for Humana and the closing stock prices as of July 2, 2015 for each of the Medicaid MCOs, other than Centene Corporation, for which Citi used the closing stock price as of July 1, 2015. Citi reviewed, among other things, the multiple (which is referred to in this joint proxy statement/prospectus as the FV/EBITDA multiple) of firm value (which is calculated as equity value, plus debt, plus minority interests, less parent cash and cash equivalents) to EBITDA, in each case reviewing the multiples of estimated 2015 EBITDA and estimated 2016 EBITDA, the multiple (which is referred to in this joint proxy statement/prospectus as the GAAP P/E multiple) of share price to reported earnings per share under GAAP (which is referred to in this joint proxy statement/prospectus as the GAAP EPS), and the multiple (which is referred to in this joint proxy statement/prospectus as the cash P/E multiple) of share price to earnings per share, excluding tax effected amortization of acquired intangibles (which is referred to in this joint proxy statement/prospectus as cash EPS). Financial data of the selected companies was based on public filings and other publicly available information. Calendar year 2016 estimated GAAP EPS and cash EPS of Humana and calendar year 2015 and 2016 estimated EBITDA of Humana were based on the adjusted Humana projections. The following table summarizes the results of these analyses:

	<b>FV/EBITDA</b>		<b>GAAP P/E</b>	<b>Cash P/E</b>
	<b>2015E</b>	<b>2016E</b>	<b>2016E</b>	<b>2016E</b>
Humana	9.3x	8.5x	17.3x	16.8x
Large Cap MCOs				
High	10.8	10.0	15.4	14.6
Low	9.6	8.8	14.5	13.7
Median	10.1	9.2	14.9	14.3
Medicaid MCOs				
High	14.3	12.3	26.5	25.9
Low	9.5	7.5	18.2	17.8
Median	9.6	7.5	20.9	20.2



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Based on the results of the foregoing analysis and Citi's professional judgment, Citi selected ranges of multiples to apply to Humana data for each of the observed valuations. For the FV/EBITDA multiples, Citi applied multiples of 9.6x to 10.1x and of 7.5x to 9.2x to the estimated 2015 EBITDA and 2016 EBITDA, respectively, of Humana. For the GAAP P/E multiple, Citi applied multiples of 14.9x to 20.9x to the estimated 2016 GAAP EPS of Humana. For the cash P/E multiple, Citi applied multiples of 14.3x to 20.2x to the estimated 2016 cash EPS of Humana. This analysis indicated the following per share equity reference ranges for Humana on a standalone basis as compared to the implied value of the merger consideration of \$230.11, which was derived by adding the cash component with the value of the stock component using the closing stock price of Aetna common shares as of July 2, 2015:

**Implied per Share Equity Value Reference****Range for Humana**

FV/2015E EBITDA \$185 \$195

FV/2016E EBITDA \$156 \$194

GAAP P/E \$143 \$200

Cash P/E \$141 \$200

**Implied Value of Merger Consideration**

\$ 230.11

*Selected Precedent Transaction Analysis*

Using public filings and publicly available information, Citi reviewed financial data for the selected transactions set forth in the table below. These transactions were selected because they involved managed care companies with, based on Citi's experience with mergers and acquisitions, certain financial, operational or business characteristics that, in Citi's view, made them sufficiently comparable to Humana, Aetna and the merger or otherwise relevant for purposes of the comparison.

For each of the transactions, Citi reviewed, among other things, firm value in each transaction as multiples of EBITDA for the last twelve months (which is referred to in this joint proxy statement/prospectus as LTM EBITDA) for each target (which is referred to in this joint proxy statement/prospectus as FV/LTM EBITDA multiple). The selected transactions reviewed and the results of this analysis were as follows:

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>	<b>Transaction Value (in millions)</b>	<b>FV/LTM EBITDA</b>
August 2012	Aetna Inc.	Coventry Health Care, Inc.	\$ 6,518	7.2x
July 2012	Wellpoint Inc.	Amerigroup Corp.	4,977	15.7
October 2011	CIGNA Corp.	HealthSpring, Inc.	4,069	7.8
March 2007	UnitedHealth Group Inc.	Sierra Health Services Inc.	2,601	11.1
September 2005	Wellpoint Inc.	WellChoice Inc.	5,870	12.6
July 2005	UnitedHealth Group Inc.	PacificCare Health Systems Inc.	8,593	12.7
April 2004	UnitedHealth Group Inc.	Oxford Health Plans Inc.	4,936	7.7
October 2003	UnitedHealth Group Inc.	Mid Atlantic Med Services Inc.	2,685	12.4
October 2003	Anthem, Inc.	Wellpoint Inc.	17,762	10.6
April 2002	Anthem, Inc.	Trigon Healthcare Inc.	3,841	18.1
<b>Median</b>				<b>11.8x</b>

Citi applied this observed range of multiples to the estimated Humana LTM EBITDA as of June 30, 2015, as provided by Humana management and adjusted by Aetna management, of \$2,947 million. This analysis indicated the following

per share equity reference range for Humana on a standalone basis as compared to the implied value of the merger consideration:

Implied per Share Equity Value Reference		Implied Value of Merger	
Range for Humana		Consideration	
\$130	\$342	\$	230.11

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Citi noted that the merger consideration was in line with the implied equity value range per Humana share yielded by Citi's selected precedent transaction analysis.

*Discounted Cash Flow Analysis***Humana**

Citi performed a discounted cash flow analysis of Humana. Citi calculated the present value of the standalone, unlevered, after-tax free cash flow that Humana was forecasted to generate from June 30, 2015 to December 31, 2020. This analysis was conducted based on the adjusted Humana projections, and was performed without taking into account the estimated synergies.

Citi calculated a range of estimated terminal values by applying a perpetual growth rate range of 2.0% to 3.0%, to the adjusted Humana projections estimated terminal year unlevered, after-tax free cash flow. The unlevered, after-tax free cash flows and terminal values were discounted to present value as of June 30, 2015 using discount rates ranging from 6.7% to 7.6%, which range was derived taking into consideration the estimated weighted average cost of capital for Humana.

Based on this analysis, Citi then calculated the following implied per share equity reference range, without the estimated synergies, for Humana's common stock, as compared to the implied value of the merger consideration:

<b>Implied Per Share Equity Reference</b>		<b>Implied Value of Merger</b>	
<b>Range for Humana's Common Stock</b>		<b>Consideration</b>	
\$191	\$296	\$	230.11

**Synergies**

In order to estimate the value of the estimated synergies, Citi performed a discounted cash flow analysis of the net synergies. Citi performed a discounted cash flow analysis to calculate the present value of the standalone, unlevered, after-tax free cash flow that the estimated synergies were forecasted to generate on a net basis from June 30, 2015 to December 31, 2020.

Citi calculated a range of estimated terminal values by applying a perpetual growth rate range of 0.0% to 1.0%, to the estimated terminal year after-tax free cash flows arising from the synergies. The unlevered, after-tax free cash flows and terminal values were discounted to present value as of June 30, 2015 using the same discount rates ranging from 6.7% to 7.6% derived taking into consideration the estimated weighted average cost of capital for Humana.

Based on this analysis, Citi then calculated the following implied per share equity reference range for the estimated synergies:

<b>Implied Per Share Equity</b>	
<b>Reference Range for Estimated Synergies</b>	
\$47.84	\$65.39

This resulted in an implied per share equity reference range, including the estimated synergies, for Humana's common stock of \$239 to \$361, as compared to the implied value of the merger consideration of \$230.11.

*Other Information*

Citi observed and analyzed certain additional information and factors regarding Humana that were not considered part of Citi's financial analysis with respect to its opinion but were noted for informational or reference purposes for the Aetna board of directors, including those set out below.

**Table of Contents***Historical Trading Analysis*

Citi reviewed the daily closing prices per share of Humana's common stock since June 29, 2010 and derived a 52-week trading range for Humana for the period ended May 28, 2015 (the last trading day prior to public market speculation regarding a transaction involving Humana, to establish an unaffected market price). Citi observed that the 52-week trading range for Humana's common stock for such period was \$115.97 to \$182.79 per share and the closing price per share of Humana's common stock on July 2, 2015 was \$187.50. Citi noted that the merger consideration was above the 52-week trading range of Humana's common stock.

*Analyst Price Targets*

Citi compared the merger consideration to the price per share targets for Humana's common stock of fourteen Wall Street research analysts, as of May 28, 2015, found in publicly available equity research on Humana. As of that date, the fourteen research analysts that covered Humana published price per share targets for Humana's common stock between \$147 to \$200, on an undiscounted basis. Citi noted that the merger consideration was above the range of Wall Street research price targets.

*Precedent Premia Paid Analysis*

Citi reviewed publicly available data relating to transactions involving public targets with transaction value in excess of \$5.0 billion in which consideration paid included a mix of stock and cash, and which were announced from January 1, 2010 to July 2, 2015. Citi reviewed the implied premia paid in these transactions over the closing stock prices of the target companies in such transactions one trading day prior to public announcement of the relevant transaction based on information publicly available at that time. Citi observed that approximately 75% of the selected transactions involved premiums ranging from 10.0% to 40.0%, with a mean of 26% and a median of 31%. Citi applied the selected range of premia of 10% to 40% to the unaffected closing price of Humana's common stock on May 28, 2015. This analysis indicated the following implied per share equity value reference range for Humana, as compared to the implied value of the merger consideration:

**Implied Per Share Equity Reference**

<b>Range for Humana's Common shares</b>	<b>Implied Value of Merger Consideration</b>
\$196 - \$250	\$ 230.11

Citi noted that the merger consideration was in line with the implied equity value range per Humana share yielded by Citi's precedent premia paid analysis.

*Pending Bid by Anthem for Cigna*

Citi also reviewed certain financial elements of the unsolicited proposal by Anthem, Inc., which is referred to in this joint proxy statement/prospectus as Anthem, to acquire CIGNA Corporation, which is referred to in this joint proxy statement/prospectus as Cigna, based on press releases that were publicly available on or prior to July 2, 2015. Citi noted that the offered price reflected (i) a multiple of 20.3x Cigna's estimated 2016 GAAP EPS, which multiple would, if applied to Humana's estimated 2016 GAAP EPS, imply a value for Humana of \$195 per share of Humana's common stock, and (ii) a 35.4% premium to the unaffected Cigna share price prior to the announcement of Anthem's bid, which premium to Humana's unaffected share price would imply a value for Humana of \$240 per share of Humana's common stock.



***Valuation Analyses of Aetna***

*Selected Public Companies Analysis*

Citi reviewed financial and stock market information for Aetna and each of Humana and the large cap MCOs discussed above in Valuation Analyses of Humana Selected Public Companies Analysis.

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Citi selected Humana and the large cap MCOs based on its professional judgment and experience, taking into account, among other factors, the size of Aetna and Humana and the large cap MCOs and the business mix of Aetna and Humana and the large cap MCOs. Although none of the selected companies is directly comparable to Aetna, the companies were chosen because they are publicly traded companies with operations or businesses that for purposes of analysis may be considered similar or reasonably comparable to those of Aetna. For Aetna and Humana and each of the large cap MCOs, Citi reviewed, among other things, the FV/EBITDA multiple, in each case reviewing the multiples of estimated 2015 EBITDA and estimated 2016 EBITDA, the GAAP P/E multiple, and the cash P/E multiple. Financial data of the large cap MCOs was based on public filings and other publicly available information. Calendar year 2016 estimated GAAP EPS and cash EPS for Aetna were based on the Aetna projections, which are summarized in the section entitled *Unaudited Prospective Financial Information Aetna Projections* beginning on page 140 of this joint proxy statement/prospectus, and for Humana and calendar year 2015 and 2016 estimated EBITDA of Humana were based on the adjusted Humana projections. The following table summarizes the results of these analyses:

	<b>FV/EBITDA</b>		<b>GAAP P/E</b>	<b>Cash P/E</b>
	<b>2015E</b>	<b>2016E</b>	<b>2016E</b>	<b>2016E</b>
Aetna	9.6x	8.8x	14.5x	13.7x
Large Cap MCOs				
High	10.8	10.0	17.3	16.8
Low	9.3	8.5	14.6	14.0
Median	10.1	9.3	15.3	14.5

Based on the results of the foregoing analysis and Citi's professional judgment, Citi selected ranges of multiples to apply to Aetna data for each of the observed valuations. For the FV/EBITDA multiples, Citi applied multiples of 9.3x to 10.8x and of 8.5x to 10.0x to the estimated 2015 EBITDA and 2016 EBITDA, respectively, of Aetna. For the GAAP P/E multiple, Citi applied multiples of 14.6x to 17.3x to the estimated 2016 GAAP EPS of Aetna. For the cash P/E multiple, Citi applied multiples of 14.0x to 16.8x to the estimated 2016 cash EPS of Aetna. This analysis indicated the following per share equity reference ranges for Aetna on a standalone basis as compared to the closing price of Aetna's common shares as of June 12, 2015:

**Implied per Share Equity Value Reference**

<b>Range for Aetna's Common Shares</b>	<b>Closing Price Per Aetna Common Share as of June 12, 2015</b>
FV/2015E EBITDA \$113 - \$135	
FV/2016E EBITDA \$113 - \$136	
GAAP P/E \$114 - \$135	
Cash P/E \$116 - \$139	\$ 115.87

*Discounted Cash Flow Analysis of Aetna*

Citi performed a discounted cash flow analysis of Aetna to calculate the present value of the standalone, unlevered, after-tax free cash flow that Aetna was forecasted to generate from June 30, 2015 through December 31, 2020. This analysis was conducted based on the Aetna projections.

Citi calculated a range of estimated terminal values by applying a perpetual growth rate range of 2.0% to 3.0%, to the Aetna management case terminal year EBITDA. The unlevered, after-tax free cash flows and terminal values were

discounted to present value as of June 30, 2015 using discount rates ranging from 7.4% to 8.5%, which range was derived taking into consideration the estimated weighted average cost of capital for Aetna.

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Based on this analysis, Citi then calculated the following implied per share equity reference range, without the estimated synergies, for Aetna's common shares, as compared to the closing price of Aetna's common shares as of June 12, 2015:

**Implied Per Share Equity Reference****Range for Aetna's Common Shares**

\$95 \$146

**Closing Price Per Aetna Common Share  
as of June 12, 2015**

\$ 115.87

*Other Information*

Citi observed and analyzed certain additional information and factors regarding Aetna that were not considered part of Citi's financial analysis with respect to its opinion but were noted for informational or reference purposes for the Aetna board of directors, including those set out below.

*Historical Trading Analysis*

Citi reviewed the daily closing prices per share of Aetna common shares to derive a 52-week trading range for Aetna for the period ended July 2, 2015. Citi observed that the 52-week trading range for Aetna common shares for such period was \$73.00 to \$133.00 per share and the closing price per share of Aetna's common shares on June 29, 2015 was \$127.28.

*Analyst Price Targets*

Citi reviewed the price per share targets for Aetna common shares of sixteen Wall Street research analysts, as of June 12, 2015, found in publicly available equity research on Aetna. As of that date, the sixteen Wall Street research analysts that covered Aetna published price per share targets for Aetna common shares on an undiscounted basis between \$100.00 and \$135.00.

*Relative Valuation Analyses of Aetna and Humana*

Citi also observed and analyzed certain additional information and factors relating to the relative values of Aetna and Humana and the pro forma financial effects of the mergers on Aetna that were not considered part of Citi's financial analysis with respect to its opinion but were noted for informational or reference purposes for the Aetna board of directors, including those set out below.

*Historical Trading Information*

Citi considered in its analysis the relative values of Aetna and Humana. The comparison of relative values included a comparison of historical stock price performance and trading multiples, of Aetna and Humana, over the past five years.

*Pro Forma Financial Effects*

Citi reviewed the potential pro forma financial effects of the mergers on Aetna's estimated cash EPS and GAAP EPS for its fiscal years 2016 to 2018 using various financial forecasts and other data provided to Citi by Aetna with respect to the businesses of Aetna and Humana, as well as publicly available financial forecasts and other data relating to the

businesses of Aetna and Humana. Citi noted that the mergers are expected to be dilutive for 2016 and accretive for each of the fiscal years 2017 to 2018 to Aetna's estimated cash EPS and dilutive in fiscal years 2016 and 2017 and accretive in fiscal year 2018 to Aetna's estimated GAAP EPS.

***Miscellaneous***

Under the terms of Citi's engagement, Aetna has agreed to pay Citi for its financial advisory services in connection with the mergers an aggregate fee of approximately \$45 million, \$5 million of which was payable

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upon delivery by Citi of the opinion and the remainder of which is payable upon completion of the mergers. Subject to certain limitations, Aetna also has agreed to reimburse Citi, subject to certain conditions, for reasonable and documented travel and other reasonable and documented out-of-pocket expenses incurred by Citi in performing its services, including reasonable and documented fees and expenses of its legal counsel, and to indemnify Citi and related persons against certain liabilities, including liabilities under the federal securities laws, arising out of its engagement. Citi and an affiliate engaged in the commercial lending business have agreed to provide or arrange financing for the mergers, including acting as joint lead underwriter, joint lead initial purchaser and joint lead placement agent in connection with the issuance of debt securities, as lender, joint lead arranger, joint bookrunner and sole administrative agent on a syndicated senior unsecured 364-day bridge loan facility to be used by Aetna in connection with the mergers in the event Aetna cannot timely raise alternative financing and as lender, joint lead arranger, joint bookrunner and sole administrative agent on a syndicated senior unsecured term loan facility to be used by Aetna in connection with the mergers, and Citi or such affiliate may participate in any refinancing of such syndicated senior unsecured term loan facility, for which services such entities would receive compensation. For a more complete description of Aetna's financing for the mergers, see the section entitled "Description of Debt Financing" beginning on page 153 of this joint proxy statement/prospectus.

Citi and its affiliates in the past have provided, and are currently providing, services to Aetna and certain of its affiliates and Humana and certain of its affiliates, unrelated to the mergers, for which services Citi and such affiliates have received and expect to receive compensation, including, without limitation, having acted in November 2014 as joint bookrunner in connection with the issuance by Aetna of \$750 million of 3.500% senior notes due 2024, having acted in March 2014 as co-manager in connection with the issuance by Aetna of \$375 million of 2.200% senior notes due 2019 and \$375 million of 4.750% senior notes due 2044, having acted in November 2012 as co-manager in connection with the issuance by Aetna of \$500 million of 1.50% senior notes due 2017, \$1 billion of 2.75% senior notes due 2022 and \$500 million of 4.125% senior notes due 2042, having acted in September 2012 as bookrunner on a \$2 billion bridge loan facility for Aetna, having acted in May 2012 as joint bookrunner in connection with the issuance by Aetna of \$250 million of 1.750% senior notes due 2017 and \$500 million of 4.500% senior notes due 2042, having acted in March 2012 as joint lead arranger on a \$1.5 billion revolving credit facility for Aetna, including having acted in September 2012 with respect to the incremental increase of \$500 million of such revolving credit facility, having acted in September 2014 as co-manager in connection with the issuance by Humana of \$400 million of 2.625% senior notes due 2019, \$600 million of 3.850% senior notes due 2024 and \$750 million of 4.950% senior notes due 2044, having acted in July 2013 as bookrunner on a \$1 billion revolving credit facility refinancing for Humana and having acted in December 2012 as co-manager in connection with the issuance by Humana of \$600 million of 3.150% senior notes due 2022 and \$400 million of 4.625% senior notes due 2042. For services rendered during the two-year period prior to July 2, 2015, Citi and its affiliates received aggregate fees of approximately \$30.2 million from Aetna and approximately \$6.0 million from Humana. In the ordinary course of its business, Citi and its affiliates may actively trade or hold the securities of Aetna and Humana for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its affiliates may maintain other relationships with Aetna, Humana and their respective affiliates.

**Aetna selected Citi to provide certain financial advisory services in connection with the mergers based on Citi's reputation and experience. Citi is an internationally recognized investment banking firm which regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The issuance of Citi's opinion was authorized by Citi's fairness opinion committee.**

*Opinion of Lazard Frères & Co. LLC*

Aetna has retained Lazard as one of its financial advisors to advise the Aetna board of directors in connection with the mergers. On July 2, 2015, at a meeting of the Aetna board of directors held to evaluate the

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transactions contemplated by the merger agreement, Lazard rendered to the Aetna board of directors an oral opinion, which was confirmed by delivery of a written opinion dated July 2, 2015, to the effect that, as of such date and based upon and subject to assumptions, procedures, factors, qualifications and limitations set forth therein, the merger consideration to be paid by Aetna in the transaction was fair, from a financial point of view, to Aetna.

**The full text of Lazard's written opinion, dated July 2, 2015, which sets forth the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken by Lazard in connection with its opinion is attached to this joint proxy statement/prospectus as Annex E and is incorporated into this joint proxy statement/prospectus by reference. The description of Lazard's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Lazard's written opinion attached as Annex E. We encourage you to read Lazard's opinion and this section carefully and in their entirety.**

**Lazard's opinion was directed to the Aetna board of directors for the information and assistance of Aetna's board of directors in connection with its evaluation of the mergers and only addressed the fairness, from a financial point of view, to Aetna of the merger consideration to be paid by Aetna in the merger as of the date of Lazard's opinion. Aetna did not request Lazard to consider, and Lazard's opinion did not address, the relative merits of the mergers as compared to any other transaction or business strategy in which Aetna might engage or the merits of the underlying decision by Aetna to engage in the mergers. Lazard's opinion was not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act with respect to the merger or any matter relating thereto. Lazard's opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of Lazard's opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of Lazard's opinion. Lazard's opinion did not express any opinion as to the prices at which Aetna common shares or shares of Humana common stock may trade at any time subsequent to the announcement of the mergers.**

**The following is a summary of Lazard's opinion. You are urged to read Lazard's written opinion carefully in its entirety.**

In connection with its opinion, Lazard:

Reviewed the financial terms and conditions of the merger agreement;

Reviewed certain publicly available historical business and financial information relating to Aetna and Humana;

Reviewed various financial forecasts and other data prepared by Humana relating to the business of Humana, and adjustments thereto prepared by Aetna, including the adjusted Humana projections, which are summarized in the section entitled "Unaudited Prospective Financial Information—Adjusted Humana Projections" beginning on page 139 of this joint proxy statement/prospectus, various financial forecasts and other data prepared by Aetna relating to the business of Aetna, including the Aetna projections, which are summarized in the section entitled "Unaudited Prospective Financial Information—Aetna Projections" beginning on page 140 of this joint proxy statement/prospectus, and the estimated synergies;



Held discussions with members of the senior management of Humana with respect to the business and prospects of Humana, and with members of the senior management of Aetna with respect to the businesses and prospects of Humana and Aetna and reviewed the projected synergies and other benefits, including the amount and timing thereof, anticipated by the management of Aetna to be realized from the mergers;

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Reviewed public information with respect to certain other companies in lines of business Lazard believes to be generally relevant in evaluating the businesses of Humana and Aetna, respectively;

Reviewed the financial terms of certain business combinations involving companies in lines of business Lazard believes to be generally relevant in evaluating the businesses of Humana and Aetna, respectively;

Reviewed historical stock prices and trading volumes of Humana common stock and Aetna common shares;

Reviewed the potential pro forma financial impact of the mergers on Aetna based on the financial forecasts referred to above relating to Humana and Aetna; and

Conducted such other financial studies, analyses and investigations as Lazard deemed appropriate.

Lazard assumed and relied upon the accuracy and completeness of the foregoing information, without independent verification of such information. Lazard has not conducted any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of Humana or Aetna or concerning the solvency or fair value of Humana or Aetna, and Lazard was not furnished with any such valuation or appraisal. Aetna's management advised Lazard (and Lazard therefore assumed) that the financial forecasts prepared by Aetna, including those related to projected synergies and other benefits anticipated by the management of Aetna to be realized from the mergers, reflect the best currently available estimates and judgments as to the future financial performance of Aetna and Humana, respectively, and such synergies and other benefits. In addition, Lazard assumed, with the consent of Aetna, that such financial forecasts and projected synergies and other benefits will be realized in the amounts and at the times contemplated thereby. Lazard assumed no responsibility for and expressed no view as to any such forecasts or the assumptions on which they are based.

In rendering its opinion, Lazard assumed, with the consent of Aetna, that the mergers would be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Lazard also assumed, with the consent of Aetna, that obtaining the necessary governmental, regulatory or third-party approvals and consents for the mergers would not have an adverse effect on Aetna, Humana or the mergers. Lazard further assumed, with the consent of Aetna, that the mergers, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Lazard did not express any opinion as to any tax or other consequences that might result from the mergers, nor did its opinion address any legal, tax, regulatory or accounting matters or potential financial implications of such matters, as to which Lazard understands that Aetna obtained such advice as it deemed necessary from qualified professionals. While Lazard's opinion addressed the merger consideration to be paid by Aetna in the merger, Lazard expressed no view or opinion as to any other terms or other aspects of the mergers, including, without limitation, the form or structure of the mergers or any agreements entered into in connection with, or contemplated by, the mergers. In addition, Lazard expressed no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the mergers, or class of such persons, relative to the merger consideration or otherwise. The issuance of Lazard's opinion was approved by the Opinion Committee of Lazard.

In preparing its opinion to the Aetna board of directors, Lazard performed a variety of financial and comparative analyses. The following is a brief summary of the material financial and comparative analyses that Lazard deemed to be appropriate for this type of transaction that was summarized for the Aetna board of directors by Lazard in connection with rendering its opinion. The summary of Lazard's analyses described below is not a complete

description of the analyses underlying Lazard's opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to partial or summary description. In arriving at its opinion, Lazard considered the results of all of the analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis considered by it. Rather, Lazard made its determination as to

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fairness on the basis of its experience and professional judgment after considering the results of all of the analyses. Accordingly, Lazard believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

For purposes of its analyses and reviews, Lazard considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Aetna or Humana. No company, business or transaction used in Lazard's analyses is identical to Aetna or Humana or the mergers, and such analyses may not necessarily utilize all companies or businesses that could be deemed comparable to Aetna or Humana. Accordingly, an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions used in Lazard's analyses and reviews. The estimates contained in Lazard's analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by Lazard's analyses and reviews. In addition, analyses and reviews relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies, businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Lazard's analyses and reviews are inherently subject to substantial uncertainty.

The merger consideration was determined through negotiations between Aetna and Humana and was approved by the Aetna board of directors. Lazard was not requested to, and it did not, recommend the specific merger consideration payable in the merger or advise that any given merger consideration constituted the only appropriate consideration for the merger. The decision to enter into the merger agreement was solely that of the Aetna and Humana boards of directors and the opinion of Lazard was only one of many factors taken into consideration by the Aetna board of directors in its evaluation of the mergers. Consequently, the analyses described below should not be viewed as determinative of the views of the Aetna board of directors or Aetna's management with respect to the mergers or the merger consideration.

**The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand Lazard's analyses and reviews, the tables must be read together with the full text of each summary. The tables alone do not constitute a complete description of Lazard's analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Lazard's analyses and reviews.**

**Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before July 2, 2015 and is not necessarily indicative of current market conditions.**

The merger consideration to be paid by Aetna in the merger consists of (1) 0.8375 of an Aetna common share per share of Humana common stock plus (2) \$125.00 in cash per share of Humana common stock. Based on the closing price per Aetna common share on the NYSE on July 2, 2015, the last trading day before the public announcement of the mergers, the merger consideration represented approximately \$230.11 in value per share of Humana common stock.

***Humana Discounted Cash Flow Analysis Stand-Alone***

Based on the adjusted Humana projections, Lazard performed a discounted cash flow analysis of Humana to calculate the estimated present value, as of June 30, 2015, of the unlevered free cash flows that Humana was

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forecasted to generate on a stand-alone basis during the fiscal years 2015 (second half) through 2020. Lazard also calculated estimated terminal values for Humana by applying a perpetual growth rate range of 2.00% to 3.00%. The unlevered free cash flows and terminal values were discounted to present value using discount rates ranging from 7.00% to 8.00%. The discount rates applicable to Humana were based on Lazard's judgment of an estimated range of weighted average cost of capital for Humana. This analysis resulted in an implied per share equity reference range, rounded to the nearest \$0.25, for Humana on a standalone basis of \$178.75 to \$270.25, as compared to the implied value of the merger consideration of \$230.11.

***Humana Discounted Cash Flow Analysis with Synergies***

Based on the adjusted Humana projections, Lazard performed a discounted cash flow analysis of the estimated synergies to calculate the estimated present value, as of June 30, 2015, of the unlevered free cash flows that the estimated synergies were forecasted to generate on a net basis during the fiscal years 2016 through 2020. Lazard also calculated estimated terminal values for the estimated synergies by applying a perpetual growth rate range of 0.00% to 1.00%. The unlevered free cash flows and terminal values were discounted to present value using discount rates ranging from 7.00% to 8.00%, as described above, based on an estimated range of weighted average cost of capital for Humana. This analysis resulted in an implied equity reference range per share of Humana common stock for the estimated synergies of \$46.75 to \$62.71. Applying the estimated present value of the estimated synergies to the results of the discounted cash flow analysis of Humana described above resulted in an implied per share equity reference range including estimated synergies, rounded to the nearest \$0.25, for Humana of \$225.50 to \$333.00, as compared to the implied value of the merger consideration of \$230.11.

***Humana Selected Comparable Companies Analysis***

Lazard reviewed and analyzed selected large-cap public managed care companies that it viewed as reasonably comparable to Humana. In performing these analyses, Lazard reviewed and analyzed certain publicly available financial information, implied multiples and market trading data relating to the selected comparable companies and compared such information to the corresponding information for Humana. Specifically, Lazard compared Humana to the large cap MCOs.

For purposes of this analysis, Lazard focused primarily on the large cap MCOs, given their scale, scope and operational comparability to Humana. Lazard also reviewed publicly available financial information, implied multiples and market trading data for two Medicaid-focused companies, Centene Corporation and Molina Healthcare, Inc., given Humana's government business.

Although none of the selected companies is directly comparable to Humana, the companies included are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks and size and scale of business, which for purposes of analysis Lazard considered similar to Humana. In order for this analysis to reflect unaffected trading prices and market multiples, Lazard used the closing stock prices as of May 28, 2015 (the last trading day prior to market speculation regarding a transaction involving Humana) for each of the large cap MCOs and Humana.

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Lazard calculated and reviewed various financial multiples and ratios for Humana and each of the large cap MCOs, including, among other things, (1) the multiple (which is referred to in this joint proxy statement/prospectus as the EV/EBITDA multiple) of enterprise value (which is calculated as equity value, plus debt, plus minority interests, less parent cash and cash equivalents) to 2016 estimated EBITDA, (2) the cash P/E multiple of share price to estimated 2016 cash EPS, and (3) the GAAP P/E multiple of share price to estimated 2016 GAAP EPS. The results of this analysis are summarized in the following table:

	<b>EV/EBITDA 2016E</b>	<b>Cash P/E 2016E</b>	<b>GAAP P/E 2016E</b>
High	10.0x	18.4x	19.3x
Mean	9.5	15.0	15.6
Median	9.5	14.4	15.2
Low	9.0	12.6	13.1

Lazard also noted that (1) Centene's 2016E EV/EBITDA, 2016E cash P/E and 2016E GAAP P/E were 9.6x, 21.7x and 22.3x, respectively, and (2) Molina's 2016E EV/EBITDA, 2016E cash P/E and 2016E GAAP P/E were 6.9x, 17.1x and 17.8x, respectively. Based on the results of the foregoing analysis and Lazard's professional judgment, Lazard applied selected ranges of multiples to estimated 2016 data for Humana based on the adjusted Humana projections. For the EV/EBITDA multiple, Lazard applied a selected range of multiples of 8.0x to 10.0x to the estimated 2016 EBITDA of Humana. The results of the foregoing analysis implied an equity value per share range, rounded to the nearest \$0.25, for Humana on a standalone basis of \$161.75 to \$205.75, as compared to the implied value of the merger consideration of \$230.11. For the cash P/E multiple, Lazard applied a selected range of multiples of 15.0x to 17.5x to the estimated 2016 cash EPS of Humana. The results of the foregoing analysis implied an equity value per share range, rounded to the nearest \$0.25, for Humana on a standalone basis of \$148.75 to \$173.50, as compared to the implied value of the merger consideration of \$230.11. For the GAAP P/E multiple, Lazard applied a selected range of multiples of 15.5x to 18.0x to the estimated 2016 GAAP EPS of Humana. The results of the foregoing analysis implied an equity value per share range, rounded to the nearest \$0.25, for Humana on a standalone basis of \$148.75 to \$172.50, as compared to the implied value of the merger consideration of \$230.11.

***Selected Precedent Transactions Analyses***

Lazard reviewed and analyzed certain publicly available financial information of target companies in selected precedent merger and acquisition transactions since 2011 involving companies it viewed as relevant. In performing these analyses, Lazard analyzed certain financial information and transaction multiples relating to the target companies involved in the selected transactions and compared such information to the corresponding information for Humana.

Lazard noted that there are few relevant precedent transactions, given Humana's operational profile compared to the targets involved in precedent transactions. For informational purposes only, Lazard also reviewed similar financial information and transaction multiples relating to the target companies involved in certain transactions from 2003 through early 2007, but these transactions were not included in the calculations derived from this analysis.

Although none of the selected precedent transactions or the target companies party to such transactions is directly comparable to the transactions contemplated by the merger agreement or to Humana, all of the transactions were chosen because they involve transactions that, for purposes of analysis, may be considered similar to the transactions contemplated by the merger agreement and/or involve targets that, for purposes of analysis, may be considered similar to Humana.





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For each of the selected transactions, Lazard calculated, to the extent information was publicly available, enterprise value as a multiple of LTM EBITDA based on the selected transaction's announcement date. Lazard used the parent company's cash and cash equivalents to calculate net debt and transaction value. The selected transactions reviewed and the results of this analysis were as follows:

<b>Date</b>	<b>Acquiror</b>	<b>Target</b>	<b>Enterprise Value/LTM EBITDA</b>
August 20, 2012	Aetna Inc.	Coventry Health Care, Inc.	8.1x
July 9, 2012	Wellpoint Inc.	Amerigroup Corp.	16.2x
October 24, 2011	CIGNA Corp.	HealthSpring, Inc.	7.6x

Based on Lazard's professional judgment after taking into account, among other things, such observed multiples, Lazard applied multiples of 7.5x to 16.0x to Aetna management's estimate of Humana's June 30, 2015 LTM EBITDA. This analysis resulted in an implied per share equity reference range, rounded to the nearest \$0.25, for Humana on a standalone basis of \$130.25 to \$295.00, as compared to the implied value of the merger consideration of \$230.11.

**Other Analyses**

The analyses and data relating to Humana described below were presented to the Aetna board of directors for informational purposes only and did not provide the basis for, and were not otherwise material to, the rendering of Lazard's opinion.

*Humana Historical Trading Analysis*

Lazard reviewed historical data with regard to the unaffected closing prices of Humana common stock for the 5-year period to and including May 28, 2015. During the 52-week period to and including May 28, 2015, the closing price of shares of Humana common stock ranged from a low of \$115.97 to a high of \$182.79 per share, and during the 52-week period to and including July 2, 2015, the closing price of shares of Humana common stock reached a high of \$214.92 per share.

*Analyst Price Targets Analysis*

Lazard reviewed publicly available share price targets of fourteen Wall Street research analysts for Humana common stock as of May 28, 2015. The range of these target prices was \$147.00 to \$200.00, with a mean of \$173.25 and a median of \$178.50. Lazard also reviewed publicly available share price targets of sixteen Wall Street research analysts for Humana common stock from May 29, 2015 to July 2, 2015. The range of these target prices was \$147.00 to \$230.00, with a mean of \$192.92 and a median of \$188.00.

*Premiums Paid Analysis*

Lazard performed a premiums paid analysis based on premiums paid in U.S. merger and acquisition transactions since January 1, 2009 involving U.S. healthcare target companies with a transaction value in excess of \$1 billion, based on data from Securities Data Company and company filings.

Lazard observed 1-day premiums ranging from 24% to 64% across the data set in the 25th to the 75th percentile of such transactions. Lazard also observed 1-day premiums ranging from 28% to 37% in the deals of size \$20 billion or greater in transaction value in the 25th to the 75th percentile of transactions. Furthermore, Lazard observed 1-day premiums of 22% to 41% in the 25th to the 75th percentile across the transactions involving a mix of cash and stock.

Based on the foregoing analyses and Lazard's professional judgment (including, without limitation, the size of the range obtained), Lazard applied a range of premiums from 20% to 40% to the unaffected Humana common stock closing price on May 28, 2015 to calculate an implied equity value per share range, rounded to the nearest \$0.25, for Humana of \$214.00 to \$249.75.

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In addition to performing the above valuation analyses of Humana's equity value per share, as well as the other analyses for informational purposes only described above, Lazard performed valuation analyses of Aetna's equity value per share, to evaluate the form and amount of merger consideration to be paid in the merger. The following paragraphs summarize the Aetna valuation analyses.

***Aetna Discounted Cash Flow Analysis***

Based on the Aetna projections, Lazard performed a discounted cash flow analysis of Aetna to calculate the estimated present value of the unlevered free cash flows that Aetna was forecasted to generate during the fiscal years 2015 (second half) through 2020. Lazard also calculated estimated terminal values for Aetna by applying a perpetual growth rate range of 2.00% to 3.00%. The unlevered free cash flows and terminal values were discounted to present value using discount rates ranging from 7.00% to 8.00%. The discount rates applicable to Aetna were, as described above, based on Lazard's judgment of an estimated range of weighted average cost of capital based on an analysis of the selected comparable companies. This analysis resulted in an implied per share equity reference range, rounded to the nearest \$0.25, for Aetna on a standalone basis of \$108.50 to \$167.50, as compared to the \$116.39 price per Aetna common share as of May 28, 2015.

***Aetna Selected Comparable Companies Analysis***

Based on an analysis of the large cap MCOs and Humana, discussed above in the Humana Selected Comparable Companies Analysis and Lazard's professional judgment, Lazard selected ranges of multiples to estimated 2016 data for Aetna based on the Aetna projections (as discussed above). For the EV/EBITDA multiple, Lazard applied a selected range of multiples of 8.5x to 10.0x to the estimated 2016 EBITDA of Aetna. The results of the foregoing analysis implied an equity value per share range, rounded to the nearest \$0.25, for Aetna on a standalone basis of \$113.00 to \$136.75. For the cash P/E multiple, Lazard applied a selected range of multiples of 14.0x to 16.0x to the estimated 2016 cash EPS of Aetna. The results of the foregoing analysis implied an equity value per share range, rounded to the nearest \$0.25, for Aetna on a standalone basis of \$115.75 to \$132.25. For the GAAP P/E multiple, Lazard applied a selected range of multiples of 14.5x to 16.5x to the estimated 2016 GAAP EPS of Aetna. The results of the foregoing analysis implied an equity value per share range, rounded to the nearest \$0.25, for Aetna on a standalone basis of \$113.25 to \$128.75.

***Other Analyses***

The analyses and data relating to Aetna described below were presented to the Aetna board of directors for informational purposes only and did not provide the basis for, and were not otherwise material to, the rendering of Lazard's opinion.

***Analyst Price Targets Analysis***

Lazard reviewed publicly available share price targets of eighteen Wall Street research analysts for Aetna common shares as of May 28, 2015. The range of these target prices was \$100.00 to \$135.00. Lazard also reviewed publicly available share price targets of fourteen Wall Street research analysts for Aetna common shares from May 29, 2015 to July 2, 2015. The range of these target prices was \$120.00 to \$159.00.

***Aetna Historical Trading Analysis***

Lazard reviewed historical data with regard to the closing prices of Aetna common shares for the 52-week period to and including May 28, 2015. During the 52-week period to and including May 28, 2015, the closing price of Aetna

common shares ranged from a low of \$73.43 to a high of \$116.39.

**Table of Contents*****Additional Analyses******Exchange Ratio Analysis***

Using the results of (i) the discounted cash flow analyses on a standalone basis, (ii) the discounted cash flow analysis of Humana including estimated synergies with the standalone discounted cash flow analysis of Aetna, and (iii) the selected comparable companies analyses described above, Lazard calculated the exchange ratio that would be implied for the stock component of the merger consideration based on such valuations. This analysis involved a calculation of the relative values implied for Humana common stock and Aetna common shares (i.e., implied Humana share value divided by implied Aetna share value), excluding the cash component of the merger consideration. In order to derive the ranges implied by this analysis, on the low end of such range, Lazard calculated the result obtained by dividing (x) the low end of the derived valuation range for Humana from the relevant analysis (as described above) less \$125 per share (to reflect the cash component of the merger consideration) by (y) the high end of the derived valuation range for Aetna from the relevant analysis (as described above) less \$52.82 per share (to reflect the impact per Aetna common share of the payment of the cash component of the merger consideration) and, on the high end of such range, Lazard calculated the result obtained by dividing (a) the high end of the derived valuation range for Humana from the relevant analysis (as described above) less \$125 per share by (b) the low end of the derived valuation range for Aetna from the relevant analysis (as described above) less \$52.82 per share. These calculations were done using the implied reference ranges resulting from the valuation analyses described in the first sentence of this paragraph. The results of these calculations implied the following ranges of exchange ratios for the stock component of the merger consideration: (i) the standalone discounted cash flow analyses implied a range of exchange ratios for the stock component of the merger consideration of 0.4687x to 2.6084x; (ii) the discounted cash flow analysis of Humana including estimated synergies with the standalone discounted cash flow analysis of Aetna implied a range of exchange ratios for the stock component of the merger consideration of 0.8763x to 3.7353x; and (iii) the selected comparable companies analyses implied a range of exchange ratios for the stock component of the merger consideration of 0.2830x to 1.3417x. Lazard noted, for informational purposes only, that the unaffected 52-week trading ranges of the two companies would imply a range of exchange ratios for the stock component of the merger consideration from not meaningful to 2.8034x and the analyst price targets for the two companies would imply a range of exchange ratios for the stock component of the merger consideration from 0.2677x to 1.5895x. Lazard compared these ranges to the fixed exchange ratio of 0.8375x for the stock component of the merger consideration.

***Potential Pro Forma Financial Impact Analysis***

Lazard analyzed the potential pro forma financial effects of the mergers on Aetna's estimated cash EPS and GAAP EPS for fiscal years 2017 to 2018 using various financial forecasts and other data provided to Lazard by Aetna with respect to the businesses of Aetna and Humana, as well as other data relating to the businesses of Aetna and Humana. Lazard noted that the mergers are expected to be accretive to Aetna's estimated cash EPS for each of the fiscal years 2017 to 2018 and dilutive in fiscal year 2017 and accretive in fiscal year 2018 to Aetna's estimated GAAP EPS.

***Miscellaneous***

The Aetna board of directors selected Lazard to act as one of its financial advisors in connection with the mergers based on Lazard's qualifications, experience, reputation and familiarity with Aetna and Humana and their respective businesses. Lazard is an internationally recognized investment banking firm providing a broad range of financial advisory and securities services. Lazard, as part of its investment banking business, is continually engaged in valuations of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, leveraged buyouts and valuations for other purposes.

In connection with Lazard's services as Aetna's financial advisor with respect to the mergers, Aetna has agreed to pay Lazard an aggregate fee of \$15 million, \$5 million of which became payable upon the rendering of Lazard's opinion and the remainder of which is payable upon completion of the mergers. Subject to certain

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limitations, Aetna also has agreed to reimburse Lazard, subject to certain conditions, for its reasonable and documented out-of-pocket expenses incurred in connection with Lazard's engagement with respect to the mergers, and to indemnify Lazard and related persons against certain liabilities arising out of its engagement. Lazard and its affiliates have not provided any other financial advisory, securities or other services to Aetna or Humana in the two-year period prior to July 2, 2015. In addition, in the ordinary course, Lazard and its affiliates and employees may trade securities of Aetna, Humana and certain of their respective affiliates for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of Aetna, Humana and certain of their respective affiliates.

**Unaudited Prospective Financial Information**

Neither Aetna nor Humana generally publishes its business plans and strategies or makes external disclosures of its anticipated financial position or results of operations, other than, in each case, providing, from time to time, estimated ranges of certain expected financial results and operational metrics for the current year and certain future years in their respective regular earnings press releases and other investor materials.

***Humana Projections***

In connection with the evaluation of the mergers, Humana's management prepared certain unaudited forecasts of Humana's projected future financial results on a stand-alone, pre-merger basis, which are referred to in this joint proxy statement/prospectus as the Humana projections. The Humana projections were provided to Goldman Sachs for purposes of Goldman Sachs conducting its financial analyses in connection with the mergers summarized under

Opinion of Humana's Financial Advisor beginning on page 113 of this joint proxy statement/prospectus. In addition, Humana's board of directors reviewed the Humana projections as part of its evaluation of the mergers and, at the meetings of Humana's board of directors on June 26, 2015 and July 2, 2015, in connection with its review of the analyses performed by Goldman Sachs. The Humana projections (other than unlevered free cash flow, but including certain line items included in the definition of Humana unlevered free cash flow) were also provided to Aetna in connection with Aetna's evaluation of the mergers and due diligence review of Humana. Aetna provided such projections to Citi and Lazard for purposes of their respective financial analyses in connection with the mergers.

The Humana projections reflect various assumptions and estimates that Humana's management made in good faith at the time that the Humana projections were prepared, including, without limitation, (i) with respect to earnings per share information, that Humana, as a stand-alone company, would continue to repurchase shares of its common stock in the ordinary course of business; (ii) a stable Medicare Advantage rate environment and secular claims trend; (iii) growth in the Medicare Advantage market in line with industry expectations; (iv) increased consumer engagement with Healthcare Services offerings and resulting fixed cost leverage; and (v) certain other matters referred to below under General beginning on page 89 of this joint proxy statement/prospectus.

The following table presents a summary of the Humana projections.

	Year Ending December 31,					
	2015P	2016P	2017P	2018P	2019P	2020P
	(dollars in millions, except for per share amounts)					
Humana Total Revenue	\$ 54,132	\$ 56,643	\$ 63,210	\$ 68,842	\$ 74,784	\$ 81,448
Humana Net Income	1,272	1,567	1,702	1,959	2,261	2,553
	8.43	10.62	11.63	13.48	15.65	17.74

Humana 2015 Adjusted Earnings Per Share/Humana GAAP Earnings Per Share(1)						
Humana EBITDA(2)	3,062	3,556	3,888	4,378	4,916	5,443
Humana Unlevered Free Cash Flow(3)	836	1,265	1,107	1,332	1,518	1,656



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- (1) This row of this table includes Humana 2015 adjusted earnings per share, which means Humana earnings per share, excluding the gain on the 2015 sale of Concentra Inc., with respect to the year ending December 31, 2015, and Humana earnings per share, calculated in accordance with GAAP, with respect to the other years for which amounts are shown in this row.
- (2) Humana EBITDA means earnings before interest (other than investment income) and taxes, excluding depreciation and amortization calculated consistent with Humana's consolidated income statement presentation and, with respect to the year ending December 31, 2015, the gain on the sale of Concentra Inc.
- (3) Humana unlevered free cash flow means earnings before interest (other than investment income) and taxes, adjusted for taxes, plus depreciation and amortization calculated consistent with Humana's consolidated income statement presentation and less capital expenditures and cash retained for risk-based capital.

Humana 2015 adjusted earnings per share, Humana EBITDA and Humana unlevered free cash flow, as presented above, are each a non-GAAP financial measure. This information was prepared for use by Goldman Sachs in performing certain of its financial analyses in connection with the mergers. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP.

***Adjusted Humana Projections***

In connection with its evaluation of the mergers, Aetna prepared a version of the Humana projections, reflecting certain adjustments to those projections made by Aetna in light of, among other things, a review of the Humana projections, discussions with Humana's management regarding its businesses and future prospects, and Aetna's views on Humana's businesses and future prospects and certain macroeconomic and industry trends. The following adjusted EBITDA and unlevered free cash flow projections relating to Humana were also calculated, based on Aetna's adjusted version of the Humana projections, for use by Citi and Lazard in performing certain of their respective financial analyses in connection with the mergers. Aetna's adjusted version of the Humana projections, together with such adjusted EBITDA and unlevered free cash flow projections, are referred to in this joint proxy statement/prospectus as the adjusted Humana projections. Aetna directed each of Citi and Lazard to use (and each of Citi and Lazard accordingly used) the adjusted Humana projections for purposes of their respective financial analyses in connection with the mergers (see "Opinions of Aetna's Financial Advisors" beginning on page 120 of this joint proxy statement/prospectus). The Aetna board of directors also reviewed and considered a summary of the adjusted Humana projections in connection with its review of Citi's financial analyses at the meetings of the Aetna board of directors on June 26, 2015 and June 30, 2015 and Citi and Lazard's respective financial analyses at the meeting of the Aetna board of directors on July 2, 2015 (see "Background of the Mergers" beginning on page 89 of this joint proxy statement/prospectus).

The adjusted Humana projections reflect the same assumptions and estimates that Aetna made in connection with the preparation of the Aetna management projections, as described below under "Aetna Projections" beginning on page 140 of this joint proxy statement/prospectus.

The following table presents a summary of the adjusted Humana projections.

	Year Ending December 31,					
	2015P	2016P	2017P	2018P	2019P	2020P
	(dollars in millions, except for per share amounts)					
Humana Total Revenue	\$ 54,132	\$ 55,465	\$ 60,038	\$ 63,913	\$ 67,986	\$ 72,367

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Humana Net Income	1,204	1,417	1,502	1,804	2,128	2,421
Humana 2015 Adjusted Earnings Per Share/Humana GAAP Earnings Per Share(1)	7.98	9.59	10.25	12.41	14.72	16.82
Humana Adjusted EBITDA(2)	3,083	3,359	3,585	4,163	4,744	5,272
Humana Unlevered Free Cash Flow(3)	292(4)	1,219	1,024	1,502	1,721	1,907

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- (1) This row of this table includes Humana 2015 adjusted earnings per share, which means Humana earnings per share, excluding the gain on the sale of Concentra Inc., with respect to the year ending December 31, 2015, and Humana earnings per share, calculated in accordance with GAAP, with respect to the other years for which amounts are shown in this row. The Humana earnings per share values in this row were calculated using share count information consistent with the Humana projections.
- (2) Humana adjusted EBITDA means earnings before interest and taxes (other than investment income), excluding all depreciation and amortization and, with respect to the year ending December 31, 2015, the gain on the sale of Concentra Inc.
- (3) Humana unlevered free cash flow means Humana adjusted EBITDA (as defined in the immediately preceding footnote (2)), less unlevered cash taxes, less capital expenditures, and less risk-based capital infusions.
- (4) Represents projected Humana unlevered free cash flow for the period from July 1, 2015 through December 31, 2015.

Humana 2015 adjusted earnings per share, Humana adjusted EBITDA and Humana unlevered free cash flow, as presented above, are each a non-GAAP financial measure. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP.

***Aetna Projections***

In connection with Humana's evaluation of the mergers, Aetna made available to Humana and Goldman Sachs certain unaudited prospective financial information relating to Aetna on a stand-alone, pre-merger basis, which is referred to in this joint proxy statement/prospectus as the Aetna management projections. The Aetna management projections were also provided to each of Citi and Lazard for purposes of their respective financial analyses in connection with the mergers. The Aetna board of directors also reviewed and considered the Aetna management projections in connection with its review of Citi's financial analyses at the meetings of the Aetna board of directors on June 26, 2015 and June 30, 2015 and Citi's and Lazard's respective financial analyses at the meeting of the Aetna board of directors on July 2, 2015.

The Aetna management projections reflect numerous assumptions and estimates that Aetna made in good faith, including, without limitation, (i) with respect to the projections of operating earnings per share, that Aetna, as a stand-alone company, would continue to repurchase its common shares in the ordinary course of business; (ii) that macroeconomic conditions will remain stable, both in the U.S. and globally; (iii) that the Patient Protection and Affordable Care Act will not be repealed or defunded; (iv) that the interest rate environment will remain stable; (v) that competitor pricing will remain rational; (vi) that commercial medical cost trends will be in line with recent experience; (vii) that the Medicare Advantage and managed Medicaid rate environments will remain stable and membership in those programs will continue to grow in line with recent trends; (viii) that consumers will continue to take on greater decision-making and financial responsibility with respect to their healthcare; (ix) that providers will remain receptive to partnering with Aetna on value-based contracting to reduce the cost of care, improve quality and provide consumers with better healthcare experiences; and (x) certain other matters referred to below under "General" beginning on page 89 of this joint proxy statement/prospectus.

The following table presents a summary of the Aetna management projections.

	Year Ending December 31,					
	2015P	2016P	2017P	2018P	2019P	2020P

(dollars in millions, except for per share amounts)

Aetna Operating Revenue(1)	\$ 61,422	\$ 64,483	\$ 71,942	\$ 80,877	\$ 91,534	\$ 102,715
Aetna Operating Earnings Per Share(2)	7.45	8.27	9.22	10.36	12.06	14.05

- (1) Aetna operating revenue means total revenue excluding net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna's business nor reflect Aetna's underlying business performance.

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- (2) Aetna operating earnings per share means (i) net income attributable to Aetna, excluding amortization of other acquired intangible assets, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna's business nor reflect Aetna's underlying business performance, divided by (ii) the projected diluted weighted average number of Aetna common shares.

Aetna operating revenue and Aetna operating earnings per share, as presented above, are each a non-GAAP financial measure. Aetna prepared this information as part of its ordinary course internal business and strategic planning process, and not for external disclosure. As part of this process, Aetna's management uses Aetna operating earnings to make decisions regarding Aetna's operations and the allocation of resources among Aetna's businesses. Aetna operating earnings is also the measure reported to Aetna's Chief Executive Officer for these purposes. Amortization of other acquired intangible assets relates to Aetna's acquisition activities. 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. Aetna is not able to project the amount of future net realized capital gains or losses or any other items excluded from Aetna operating revenue or Aetna operating earnings per share as defined in the immediately preceding footnotes (1) and (2), respectively (other than estimated amortization of other acquired intangible assets and projected transaction and integration-related costs related to previous acquisitions), and therefore cannot reconcile projected Aetna operating revenue to projected Aetna total revenue, projected Aetna operating earnings to projected net income attributable to Aetna or projected Aetna operating earnings per share to projected net income attributable to Aetna per share in any period. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP.

Certain other unaudited prospective financial information relating to Aetna on a stand-alone, pre-merger basis was calculated, based on the Aetna management projections, for use by Citi and Lazard in performing certain of their respective financial analyses in connection with the mergers, including, in the case of the following unlevered free cash flow projections, Citi's and Lazard's respective illustrative discounted cash flow analyses, in each case as described under Opinions of Aetna's Financial Advisors Opinion of Citigroup Global Markets Inc. and Opinions of Aetna's Financial Advisors Opinion of Lazard Frères & Co. LLC beginning on pages 120 and 129, respectively, of this joint proxy statement/prospectus. This information is referred to in this joint proxy statement/prospectus as the supplemental Aetna projections, and together with the Aetna management projections, the Aetna projections. The Aetna board of directors reviewed and considered the supplemental Aetna projections in connection with its review of Citi's financial analyses at the meetings of the Aetna board of directors on June 26, 2015 and June 30, 2015 and Citi's and Lazard's respective financial analyses at the meeting of the Aetna board of directors on July 2, 2015. The supplemental Aetna projections were not, however, provided to Humana or Goldman Sachs.

The following table presents a summary of the supplemental Aetna projections.

	Year Ending December 31,					
	2015P	2016P	2017P	2018P	2019P	2020P
	(dollars in millions)					
Aetna Adjusted EBITDA(1)	\$ 5,251	\$ 5,730	\$ 6,272	\$ 6,822	\$ 7,713	\$ 8,745
Aetna Unlevered Free Cash Flow(2)	1,083(3)	2,728	2,224	2,290	2,467	2,916

(1)

Aetna adjusted EBITDA means net income attributable to Aetna before interest expense, income taxes, depreciation and amortization, excluding net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna's business nor reflect Aetna's underlying business performance.

- (2) Aetna unlevered free cash flow means Aetna adjusted EBITDA (as defined in the immediately preceding footnote (1)), less unlevered cash taxes, less capital expenditures, and less risk-based capital infusions.

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- (3) Represents projected Aetna unlevered free cash flow for the period from July 1, 2015 through December 31, 2015.

Aetna adjusted EBITDA and Aetna unlevered free cash flow, as presented above, are each a non-GAAP financial measure. This information was prepared for use by Citi and Lazard in performing certain of their respective financial analyses in connection with the mergers. 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. Aetna is not able to project the amount of future net realized capital gains or losses or any other items excluded from Aetna adjusted EBITDA (as defined in the immediately preceding footnote (1)) (other than projected transaction and integration-related costs related to previous acquisitions) and therefore cannot reconcile projected Aetna adjusted EBITDA to net income attributable to Aetna or Aetna unlevered free cash flow to net cash provided by operating activities in any period. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP.

**Adjusted Aetna Projections**

In connection with its evaluation of the mergers, Humana prepared a version of the Aetna projections, reflecting certain adjustments to those projections, or in the case of the following unlevered free cash flow projections, calculated by Humana's management based on the Aetna projections, expectations of Humana's management regarding Aetna's financial prospects and based on the due diligence Humana conducted on Aetna. These adjusted projections are referred to in this joint proxy statement/prospectus as the adjusted Aetna projections, and together with the Humana projections, the adjusted Humana projections and the Aetna projections, as the parties' projections. The adjusted Aetna projections were provided to Goldman Sachs for purposes of Goldman Sachs conducting its financial analyses in connection with the mergers. Humana's board of directors reviewed the adjusted Aetna projections as part of its evaluation of the mergers and, at the meetings of Humana's board of directors on June 26, 2015 and July 2, 2015, in connection with its review of the analyses performed by Goldman Sachs.

The adjusted Aetna projections reflect various assumptions and estimates that Humana's management made in good faith, including, without limitation, (i) Humana management's industry forecasts for the growth and margin profile of commercial risk business and the growth of the commercial ASO business generally; (ii) a stable Medicare Advantage rate environment and secular claims trend; (iii) growth in the Medicare Advantage market in line with the growth reflected in the Humana projections; and (iv) certain other matters referred to below under "General" beginning on page 89 of this joint proxy statement/prospectus.

The following table presents a summary of the adjusted Aetna projections.

	Year Ending December 31,					
	2015P	2016P	2017P	2018P	2019P	2020P
	(dollars in millions, except for per share amounts)					
Aetna Operating Revenue(1)	\$ 61,419	\$ 65,294	\$ 70,846	\$ 77,263	\$ 84,529	\$ 92,712
Aetna Operating Earnings Per Share(1)	7.35	7.65	8.29	9.00	10.03	11.16
Aetna Adjusted EBITDA(1)	5,181	5,350	5,734	6,077	6,634	7,258
Adjusted Aetna Unlevered Free Cash Flow(2)	2,241	2,132	2,150	2,300	2,515	2,741

- (1) Each of Aetna operating revenue, Aetna operating earnings per share and Aetna adjusted EBITDA has the meaning set forth above under Aetna Projections beginning on page 140 of this joint proxy statement/prospectus.
- (2) Adjusted Aetna unlevered free cash flow means net income attributable to Aetna, excluding amortization of other acquired intangible assets, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of Aetna's business nor reflect Aetna's underlying business performance, excluding



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taxes, interest expense and amounts attributable to non-controlling interests, adjusted for taxes, plus depreciation and amortization and less capital expenditures and cash retained for risk-based capital.

Aetna operating revenue, Aetna operating earnings per share, Aetna adjusted EBITDA and adjusted Aetna unlevered free cash flow, as presented above, are each a non-GAAP financial measure. This information was prepared for use by Goldman Sachs in performing certain of its financial analyses in connection with the mergers. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP.

***General***

The summaries of the parties' projections included above are being provided to give Aetna's shareholders and Humana's stockholders access to certain non-public information that was made available to Aetna, Humana and their respective boards of directors and financial advisors in connection with the parties' evaluation of the mergers. The parties' projections were, in general, prepared solely for internal use and are subjective in many respects and thus subject to interpretation. While presented with numeric specificity, the parties' projections reflect numerous assumptions and estimates that the parties preparing such projections made in good faith at the time such projections were prepared with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the applicable party. These assumptions are inherently uncertain, were made as of the date the parties' projections were prepared, and may not be reflective of actual results, either since the date such projections were prepared, now or in the future, in light of changed circumstances, economic conditions, or other developments. Some or all of the assumptions that have been made regarding, among other things, the timing of certain occurrences or impacts, may have changed since the date the parties' projections were prepared. The parties' projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Aetna or Humana, as applicable.

Important factors that may affect actual results and cause the parties' projections not to be achieved include risks and uncertainties relating to Aetna's and Humana's businesses (including their abilities to achieve their respective strategic goals, objectives and targets over applicable periods; the managed care industry; the regulatory environment; general business and economic conditions; and other factors described under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" beginning on pages 61 and 71, respectively, of this joint proxy statement/prospectus, as well as the risk factors with respect to Aetna's and Humana's respective businesses contained in their most recent SEC filings, which readers are urged to review, which may be found as described under "Where You Can Find More Information" beginning on page 229 of this joint proxy statement/prospectus). In addition, the parties' projections cover multiple future years, and such information by its nature is less reliable in predicting each successive year. The parties' projections also do not take into account any circumstances or events occurring after the date on which they were prepared and do not give effect to the transactions contemplated by the merger agreement, including the mergers, and also do not take into account the effect of any failure of the mergers to be completed. The parties' projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the parties' projections. Accordingly, there can be no assurance that the parties' projections will be realized or that actual results will not be significantly lower than projected.

The parties' projections were not prepared with a view toward complying with GAAP (including because certain metrics are non-GAAP measures as discussed above), the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither Aetna's nor Humana's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the parties' projections, nor has any of them expressed any opinion or any other form of assurance on the parties' projections or the

achievability of the results reflected in the parties' projections, and none of them assumes any responsibility for, and each of them disclaims any association with, the parties' projections. The

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reports of Aetna's and Humana's independent registered public accounting firms incorporated by reference into this joint proxy statement/prospectus relate to Aetna's and Humana's historical financial information, respectively, and no such report extends to the parties' projections or should be read to do so.

**The inclusion of the parties' projections in this joint proxy statement/prospectus should not be regarded as an indication that any of Aetna, Humana or their respective affiliates, advisors or representatives considered the parties' projections to be predictive of actual future events, and the parties' projections should not be relied on as such. None of Aetna, Humana or their respective affiliates, advisors, officers, employees, directors or representatives can give you any assurance that actual results will not differ from the parties' projections, and none of those persons undertakes any obligation to update or otherwise revise or reconcile the parties' projections to reflect circumstances existing after the date the parties' projections were prepared or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the parties' projections are shown to be in error. Neither Aetna nor Humana intends to publicly update or make any other revision to the parties' projections. None of Aetna, Humana or any of their respective affiliates, advisors, officers, employees, directors or representatives has made or makes any representation to any Aetna shareholder, Humana stockholder or any other person regarding Aetna's or Humana's ultimate performance compared to the parties' projections or that the results reflected therein will be achieved. Neither Aetna nor Humana has made any representation to the other, in the merger agreement or otherwise, concerning the parties' projections. For the reasons described above, readers of this joint proxy statement/prospectus are cautioned not to place undue, if any, reliance on the parties' projections.**

**Regulatory Approvals Required for the Mergers**

***General***

Aetna and Humana have agreed to use their respective reasonable best efforts to obtain all regulatory approvals required to complete the mergers, which reasonable best efforts include contesting any proceeding brought by a governmental authority seeking to prohibit completion of the mergers or seeking damages or to impose any terms or conditions in connection with the merger. In using its reasonable best efforts, under the terms of the merger agreement, Aetna is required to take all actions and do all things necessary, proper or advisable to complete the mergers in connection with (i) the expiration or early termination of the waiting period relating to the merger under the HSR Act, (ii) any other antitrust law or (iii) the required governmental authorizations, except that Aetna is not required to take any action or agree to any term or condition in connection with those matters if that action, term or condition would have or would reasonably be expected to have, individually or in the aggregate, a regulatory material adverse effect. In addition, in connection with obtaining the regulatory approvals required to complete the mergers, (x) neither Aetna nor Humana is required to take any action or agree to any term or condition that is not conditioned upon completion of the mergers and (y) Humana is not permitted to take any action or agree to any term or condition without Aetna's consent.

The obligation of each of Aetna, Humana and Merger Subs to effect the mergers is conditioned upon, among other things, the expiration or early termination of the applicable waiting period under the HSR Act and the required governmental authorizations having been made or obtained and being in full force and effect. See "The Merger Agreement" Conditions to Completion of the Mergers beginning on page 161 of this joint proxy statement/prospectus.

***Department of Justice, Federal Trade Commission and Other U.S. Antitrust Authorities***

Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger

notification with the FTC and the Antitrust Division of the DOJ. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filings of their respective HSR Act notification forms or the early termination of that waiting period. If the DOJ or the