

**REAL
NEEDS.**

**REAL
SOLUTIONS.**

COMMITTED TO:

- > AFFORDABILITY
- > ACCESS
- > QUALITY AND
- > SIMPLICITY

IN THE AMERICAN HEALTH CARE SYSTEM

As I write this letter, our nation continues its decades-long struggle to ensure that affordable and appropriate health care is available to all people.

America's health care system, which has long been recognized for its achievement in addressing complex disease, is also marked by embarrassing shortcomings relative to the efficiency of the health system, the availability of needed care interventions for all people, and the economic costs it carries. And even as our nation works to correct these deficiencies, new challenges have emerged — such as accelerating demographic changes, the escalating cost of new technologies, clinical interventions and research, and increasing complexities around medical decision-making — which make our goals even more complicated and difficult to realize.

Although it seems that few economically developed countries struggle as much as our society with the entire range of issues surrounding health care, most nations today face some or all of the same health-care-related issues that we do in the United States. Research to identify the optimum and appropriate health care system, when unencumbered by anecdote and political bias, reveals that virtually all societies grapple with cost, access and resource availability — issues that are essential to providing timely health care interventions to all of their people, whether their health systems are government-run and sponsored, private or hybrids of the two.

This leads us back to a fundamental and long-standing reality: How health care is organized and how it performs is more critical to realizing optimum results than is the

funding structure for the system...and at some level even the funding amount. It is clear that simply spending more money on the traditional approaches, with their inherent inefficiencies and shortcomings, will not address the issues that impede our nation's ability to make health care services more available and affordable for all people. Fundamental changes are required in how health care is organized, delivered and administered.

Today, UnitedHealth Group is better equipped than at any time in its history to advance changes that will serve as catalysts for meaningful improvement in the health care system. Driven by a fundamental belief that our health care system is neither what it could be nor what it should be, and supported by a culture within our company that unequivocally embraces this belief and demonstrates passion for change, we are building upon years of strategic asset development, operating focus and establishment of proven capabilities, along with the diverse experiences of our employees, to advance on the imperatives of access, quality, ease of use and affordability in health care.

We are positioned — through the diversification of businesses and the cultivation of competencies such as enabling technology, sophisticated analytical applications of large-scale clinical data, and the value of optimally effective care procurement and its management and coordination — to respond quickly and effectively to the expanding set of health-care-related changes on behalf of our diverse customer base. The reality of this ability is manifest even today in our business, our results and our positive impact on those we serve.

Exemplifying this is Ovations, the dedicated business created by UnitedHealth Group to serve the diverse health and well-being needs of older Americans. With its broad array of service offerings, Ovations addresses the needs of a group of people who today account for nearly \$700 billion of annual health care expenditures, who in the next decade will increase in number by nearly 25 percent — or 10 million individuals — and whose health care needs and interests are complex and compounding dramatically. For them, an enterprise such as Ovations is critical to providing innovative and responsive solutions for their unique needs.

That is demonstrated by the issues surrounding the availability of affordable prescription drugs and the new Medicare Part D prescription drug program. While no one would deny the challenges produced by meaningful start-up problems in this huge new federal initiative, Ovations responded effectively on behalf of enrolled seniors and expects to serve nearly 6 million people through this program by year-end. The savings on prescriptions for the first 3 million of Ovations' enrollees, when compared to retail pricing, amounted to more than \$900 million in just the initial six weeks of the program. That is an indisputable positive for American seniors, and a demonstration of how an entirely new and innovative program can address meaningful ongoing needs of our society — even with short-term start-up challenges.

Similarly, the significant investments we have made in R&D, technology and business process improvements — now approaching \$3 billion in the past five years — have produced modernized and broad applications that scale

across the entire health care services arena. Our unique, fully integrated, efficient and highly interactive infrastructure for administrative services is one of the outputs of this effort. Leveraged across multiple business and customer needs, such an operating platform advances the creation of a simpler, more usable and infinitely more affordable health care system. And with the implementation of such a system, and the impact on cost and effectiveness it provides, key challenges for our nation — such as global competitiveness and lowering the numbers of underinsured and uninsured people — can be at least partially addressed.

We also believe the creation of robust longitudinal data sets and the tools to intelligently sort and analyze that data is integral to any effort to improve health care quality, appropriateness and safety. This is another area where resources are now at hand and can make meaningful contributions if we use them more innovatively. Such capabilities address pervasive needs in all that is done around health care — from the development of effective drug therapies, to the making of health-related decisions, to identifying the best care providers who can handle specific clinical needs of individual patients. Ingenix, a UnitedHealth Group company dedicated to the data and information marketplace, has emerged as a leader in these efforts. A recent contract with the U.S. Food and Drug Administration to use these capabilities for post-marketing surveillance and drug safety assessment, as well as similar decisions by major drug development and medical device companies, provide examples of how such innovative approaches can be used and, in so doing, address fundamental needs in health care.

There is much, much more to do, and it must be done with an urgency and conviction that recognizes the human needs to which each of us and our nation are committed. In this pursuit, UnitedHealth Group is ideally positioned to respond and lead.

Clearly, UnitedHealth Group is not unique in its ability to drive change in health care, nor is this a newly conceived position for us. A commitment to changing how the health care system works has long been part of us, and this agenda has been at the foundation of building this company to our current position. Importantly, today we know that our assets and capabilities are more advanced than ever before and our resolve more entrenched...and such resolve is ultimately essential for success. In fact, when addressing the complex and challenging issues in health care, our resolve may transcend in importance the assets we possess.

Access, affordability, quality and ease of use: These imperatives shape our actions. They do not exist in isolation, but are closely intertwined; realization of one demands resolution of another. But they must each be addressed to achieve the health system we desire...and the health care and outcomes we demand. To do this, we must act together and in ways heretofore ignored or stymied. Our society no longer has the luxury of prolonged debate and discussion, of further study and delay, of imbalanced ideology or self-interest. The costs by any measure — human suffering, economic waste, public accountability — are too great to continue as we have.

The resources and tools are available. The time to act is now.

I have had the privilege of writing this annual letter to shareholders of UnitedHealth Group for 15 years and to have worked as both a medical researcher and practicing physician for more than a dozen years. Those perspectives and that time frame have allowed me to observe how our nation

responds to its health care needs and to make a longer-term assessment of what UnitedHealth Group has accomplished and what it is capable of accomplishing. During that span, our nation has meaningfully advanced its agenda, yet it remains well short of the sustainable changes needed to realize its goals for our society. And during that time, this company has demonstrated a commitment to improving and thus changing the health care system, an unwillingness to be satisfied with what has been accomplished, and a realization that much more is possible. This has served us well, but our larger aspirations remain unfulfilled.

Based on financial measures — traditionally the principal value measurement for Wall Street — we have provided a continuum of growth and strongly positive results. Without question, our shareholders have seen success emerge from a clear and consistent vision, innovation, execution and the resolve to change how health care works in order to improve what it achieves. We are proud of this performance for shareholders, including our 15-year compound annual growth rate of 32 percent for earnings per share and projected 2006 revenues that will likely place us among the *Fortune* 20. We will work to continue the same level of performance in the future. But financial measurement alone is not enough to gauge success.

Ultimate success requires another measure — one that rates performance based on the effectiveness in meeting customer needs, advancement of a critical social good, and the realization of one's full potential. By that measure, we are yet incomplete. There is much, much more to do, and it must be done with an urgency and conviction that



William W. McGuire, M.D.
Chairman and Chief Executive Officer

recognizes the human needs to which each of us and our nation are committed. In this pursuit, UnitedHealth Group is ideally positioned to respond and lead.

2005 was an outstanding year for UnitedHealth Group. It was a period of advancement and innovation that saw us help improve the health and well-being of tens of millions of people, both here and abroad, and further expand the breadth and scope of our capabilities to more effectively address the challenges we all share.

Actions we have long pursued — promoting greater use of scientifically based evidence to inform and guide the consumption of health care resources, applying advanced technologies to modernize and streamline health care administration and forging stronger partnerships between private and public entities to address health care needs of vulnerable populations — have become even more relevant today as new medical interventions emerge, our population ages and individuals assume more responsibility for their health care. It is encouraging to see these concepts integrated as meaningful elements of our health care system. Going forward, our efforts will reflect other evolving issues and will thus be marked by significant further expansion in areas such as consumerism, services for care providers, financial services as they apply to health care needs, technology applications and services for uninsured and economically disadvantaged individuals, as well as older Americans and discrete groups with unique needs.

We remain steadfast in our belief that basic health care can — and must — be made available to all Americans, and we recognize that achievement of this goal will require the collective efforts of all parties involved in the health care

system. As a nation, we must truly commit to, rather than simply debate, this goal of essential health care benefits for all people. Authorities from medical science must step forward as leaders in addressing what is truly essential in health care, even as they help establish the standards of appropriate interventions for care providers. In turn, our nation must use this information to create a rational standard for what constitutes essential health care, and our legislators must replace current mandates, which have been driven too frequently by special interests rather than science, with statutes that support the provision of such essential health care benefits through private and public means. And for our part, UnitedHealth Group will move forward with urgency to deliver innovative and sustainable solutions that will make that health care system work better, replacing outdated tools and ways of administering benefits with more efficient, lower cost processes and technologies, providing data and information that drive better health care decisions, and organizing access to optimize the use of precious health care resources.

The emerging trends brought about by aging populations, greater consumer accountability, the use of data and the application of technology are undeniable. The imperatives of affordability, quality, access and simplification are clear. We recognize our responsibility to help address these critical issues, and we are committed to act.

Sincerely,

A handwritten signature in black ink that reads "William W. McGuire". The signature is written in a cursive, slightly stylized font.

William W. McGuire, M.D.
Chairman and Chief Executive Officer

At UnitedHealth Group, we envision a health care system in which individuals can easily determine who to see and where to go for services that best meet their needs; where physicians, hospitals and care professionals deliver consistent, high-quality care based on scientific evidence of what works; where prescription drugs, medical devices and new therapies are developed safely and efficiently and used appropriately to address illness; and individuals and businesses alike are supported by an advanced technology infrastructure that provides simple, integrated service.

Through our family of businesses, we are turning commitment into action — leveraging established strengths in organizing resources, applying technology and analyzing data to create real solutions that expand access, promote quality, simplify service and make health care more affordable.

TURNING COMMITMENT
INTO
ACTION

Uniprise

REAL NEEDS

Uniprise serves large employers, insurers and other health care intermediaries, helping them deliver affordable, high-quality health benefits by providing highly integrated information, technology, health care benefits management and financial solutions.

Using an informed and consultative approach, Uniprise designs customized benefit solutions to meet the unique needs of each customer and the individuals they represent. Combining innovative benefit designs with exceptional administrative services and individualized interactions allows Uniprise to offer accessible health care services that are both affordable and personal.

Uniprise benefit strategies engage consumers directly in their health care decisions. Plan designs feature decision-support vehicles that give people credible information they can use to help optimize their health care provider and treatment decisions, personalized communications and coaching services that encourage healthy behaviors, and care support services that help people with chronic illnesses manage their conditions more effectively.

Uniprise offers integrated personal financial services and payment capabilities through Exante Bank, a financial institution chartered by UnitedHealth Group. Electronic ID cards streamline service, enabling physicians to verify patient benefit eligibility using electronic connectivity and existing payment networks. Exante Bank cards let consumers pay for qualified medical expenses directly from a full spectrum of personal health account options, including health savings accounts, health reimbursement accounts or flexible spending accounts. Exante offers turnkey financial services products to other insurers, administrators and care providers and serves as a platform for ongoing product innovation and growth.

A single, highly scalable operating environment is used by Uniprise to support efficient, high-quality health benefit administration services. Uniprise responds to approximately 300 million transactions annually, and processes more than 85 percent of all claim and customer care transactions automatically. Its intelligently designed technology platform removes administrative complexity, improves payment accuracy and lowers costs. Sophisticated new capabilities are being used to improve service response and outcomes for consumers with the most complex claim or benefit issues.

Integral to these customer-responsive technology advances are robust and convenient Internet self-service portals, which today enable 5 million households, 660,000 physician and care provider user sites, 220,000 employers and 50,000 brokers to conduct more than 440 million transactions on an annualized basis. Online personal health records feature a continuously updated Personal Health Summary that is accessible to the consumer through myuhc.com®, and to their physicians via a unique physician portal, UnitedHealthcare Online®. This tool is a tangible advancement providing both patients and physicians with timely medical information. Online personal financial statements enable consumers to track their health care expenses and account balances.

Today, Uniprise is the nation's largest and fastest-growing health benefits business for the national employer health services market, with more than 5 million new individuals joining its customer base over the past seven years. And while focused on fully meeting the needs of that group of clients, Uniprise is expanding its market scope into new areas. These include greater emphasis on retiree health care solutions and new ways to help plan sponsors improve program effectiveness and performance for the benefit of their employees.

REAL SOLUTIONS



- > Consumer-driven health plans, health coaching and personalized communication services from Uniprise's Definity Health® business that help individuals engage more directly in their health care decisions
- > Personal financial services from Exante Bank, which give consumers financial control over their health care dollars and spending decisions
- > Online personal health records that help consumers maintain a personal health history and summary of conditions, procedures, medications and lab tests
- > Online personal financial statements that provide consumers with an overview of health-related expenses and account balances
- > Internet service portals, which enable individuals, households, physician and care providers and employers to conduct transactions and access information quickly and efficiently
- > Affordable benefit solutions that extend health care coverage to uninsured and underinsured workers
- > Customized benefit solutions, which provide access to quality, affordable health and well-being services for 10.5 million people
- > Efficient, comprehensive operational services that support health plans and intermediaries representing more than 24 million individuals
- > More than 20 million electronic medical ID cards issued, which let physicians and care providers instantly check patient benefits eligibility
- > The UnitedHealth AlliesSM discount program, which helps consumers lower out-of-pocket costs on a broad spectrum of products and services

UnitedHealthcare

REAL NEEDS

UnitedHealthcare advances affordable, consumer-oriented health benefits that provide access to an extensive, nationwide network of high-quality physicians and hospitals, as well as the tools needed to support appropriate and efficient use of their capabilities.

Approximately 135 million Americans secure individual health coverage or are affiliated with small, mid-sized or public sector employers. UnitedHealthcare offers a full range of health solutions to meet their varying needs, including benefit plans specifically designed to help employers extend benefit coverage to uninsured or underinsured part-time, hourly and full-time workers.

UnitedHealthcare benefit plans provide convenient access to physicians, hospitals and health professionals from coast to coast, as well as coordinated delivery of care support, education and wellness services through online tools and personalized interventions. All UnitedHealthcare benefit plans can be combined with flexible spending accounts, health reimbursement accounts or health savings accounts to support greater individual participation in health care decisions.

Programs around quality, safety and affordability are central to UnitedHealthcare's mission. The UnitedHealth PremiumSM program offers quality and efficiency information consumers can use to help identify specialists and hospitals that best meet their needs, and provides people with critical or complex medical conditions access to care through nationally recognized centers of excellence. A discount buying program, UnitedHealth AlliesSM, offers consumers savings of 10 percent to 50 percent on many health-related products and services. Pharmacy benefit programs from UnitedHealth Pharmaceutical Solutions provide opportunities for people to select drugs that are proven to meet clinical needs and offer the best total value, whether they are brand-name or generic drugs.

Through Internet portals and electronic service channels, UnitedHealthcare seeks to simplify administrative aspects of health care and lower costs. The UnitedHealthcare consumer Web site, myuhc.com[®], provides 24/7 access to information resources and tools that support better decisions. Online personal health record and personal financial statement capabilities are coupled with this, enabling consumers to maintain both a personal health record and personal financial record related to their health benefits program, and a summary of conditions, procedures, medications and lab tests. This information can be accessed through proprietary, privacy-protected channels, and the summary can be printed and taken to appointments, allowing physicians to spend less time gathering routine health information and more time on assessment and treatment planning.

Moving to improve access to optimal care, strategic alliances have been created between UnitedHealthcare and some of the nation's most highly regarded regional not-for-profit health plans, including Medica Health Plans in the Upper Midwest and Harvard Pilgrim Health Care in New England. These alliances, which are unique in the marketplace, improve service to customers of each participating organization. In addition, they help not-for-profit health plans access advanced technology investments and achieve economies of scale, which strengthen them competitively and help them advance their missions.

Today, UnitedHealthcare serves more than 14 million Americans nationwide, offering the most comprehensive range of products and services available.

REAL SOLUTIONS

- > An integrated network of care professionals, providing direct access to more than 500,000 physicians and other care providers, and 4,600 hospitals nationwide
- > The UnitedHealth PremiumSM program, which provides quality and cost information about physicians and hospitals in 19 medical and surgical subspecialties
- > Integrated clinical outreach programs and disease and care management programs that help individuals with complex and chronic conditions access services and maintain optimal health
- > Unique partnerships with leading medical specialty organizations, such as The Society of Thoracic Surgeons and American College of Cardiology, which draw upon their leadership and knowledge to drive the use of evidence-based clinical outcomes data to improve decisions
- > Unique market alliances with regional not-for-profit health plans, which help expand customer access to affordable care services regionally and throughout the United States
- > UnitedHealth BasicsSM, health benefit plans designed to help employers extend basic coverage to their workers at a more affordable cost
- > Pharmacy benefit programs, which help people access appropriate drugs at the best total value and allow employers and payers to achieve pharmacy cost trends well below national trends
- > The use of proprietary Internet portals that help streamline service for consumers, brokers, physicians and employers and lower related administrative costs
- > Online personal health capabilities that allow consumers to maintain personal health records and health-related financial records, and print a summary of conditions, procedures, medications and lab tests



Ovations

REAL NEEDS

Ovations is dedicated to the growing need for affordable health care solutions for Americans age 50 and older.

Each day, more than 12,000 Americans turn 50. Over the next decade, Medicare expenditures are expected to rise by 150 percent. These simple statistics underlie one of the most significant challenges for the nation, and also define an enormous opportunity for companies that can deliver simple, affordable, effective health care solutions shaped to meet the needs of older Americans.

Ovations responds to a full range of health and well-being needs for people over age 50. Its diverse and comprehensive array of products and services includes Medicare Advantage plans and Medigap offerings, private fee-for-service plans, independent living services, special need and hospice services, prescription drug coverage, medical supply services, and group retiree solutions and insurance plans for pre-Medicare retirees ages 50 to 64.

Ovations works with national and local institutions, including AARP, the Centers for Medicare & Medicaid Services, large employers, state governments and health care facilities, to help meet the needs of older Americans. The launch of the Ovations Medicare Part D prescription drug benefit plan in 2005 demonstrates the important role these relationships play in serving the needs of seniors. The Ovations Medicare Part D prescription drug benefit plan is exclusively endorsed by AARP. Through relationships with premier drugstores, the Ovations plan provides seniors with convenient access to retail pharmacy locations as well as mail order services for their prescription drugs. Built around this strong set of resources, Ovations expects to enroll nearly 6 million individuals in Medicare Part D prescription drug plans for 2006, helping seniors achieve a projected \$5 billion in savings on their prescriptions compared to retail costs for the first year alone.

Among our nation's most important issues are chronic health problems. Today they account for about 70 percent of the medical costs for Medicare and long-term-care Medicaid programs. Through its Evercare senior services offerings, Ovations provides a proprietary set of health and well-being services for chronically ill and frail elderly individuals. Launched more than 15 years ago, Evercare now offers services in 23 states. Continued growth in Evercare is expected as it further expands programs for nursing home residents in existing and new markets, participates in additional special needs plans and expands end-of-life care services.

With extensive assets, proven capabilities and a dedicated focus on seniors, Ovations is in a unique position to respond to the needs of this important segment of our society and the vast and growing market they represent. Ovations expects accelerating growth to advance revenue to \$25 billion in 2006 and is poised to sustain exceptional growth over the years to come.

REAL SOLUTIONS

- > Affordable health insurance plans and related services dedicated to AARP members using Medicare programs and services
- > Pre-Medicare insurance plans, which help AARP members between 50 and 64 years of age access more affordable health care services
- > Prescription drug benefit programs that will help nearly 6 million older Americans achieve a projected \$5 billion in savings compared to retail prescription costs in 2006 alone
- > Medicare Advantage plans, which improve access to health care services for older Americans in 35 states nationwide
- > Private fee-for-service programs that help seniors in 24 states access health care services
- > Newly created Special Needs Plans in 33 markets that help people eligible for both Medicare and Medicaid access health care services easily and more effectively
- > Health care planning and complex care management services, which improve quality of care for chronically ill, frail or elderly individuals
- > Proprietary clinical software that supports and, in turn, improves complex care management for patients in nursing homes, hospitals and home care settings
- > End-of-life programs that address palliative care needs in a timely and compassionate manner



AmeriChoice

REAL NEEDS

AmeriChoice works to improve health care for underserved, economically disadvantaged and vulnerable individuals.

Health care represents nearly one-third of all state expenditures and, without question, remains the most rapidly growing element of state budgets. The vast majority of these expenditures are directed at the health care needs of lower income and vulnerable populations. AmeriChoice is committed to addressing these needs by partnering with states to deliver effective, affordable services to those in need.

AmeriChoice today provides access to health care services for 1.3 million members of state-sponsored health care programs in 13 states, including 10 in which the company operates full-service health plans. In addition to community-oriented networks, AmeriChoice offers its members wellness and disease management programs targeted to their specific needs, and offers government agencies a comprehensive menu of distinctive management services — including clinical consulting and management, pharmacy benefit design services, and benefit administration and technology services — to help each one optimize its health care program in response to its unique situation and resource availability.

Using an insightful and sensitive clinical care approach called its Personal Care Model, AmeriChoice works proactively to address the particular health care needs of the individuals served. In this setting, sophisticated data tools identify individuals who may need immediate care management services or social service resources so that AmeriChoice medical professionals can provide hands-on clinical and social case management. They work directly with family members and primary care physicians to determine the most effective clinical interventions and help individuals and their families better manage medical conditions to realize optimal health outcomes.

Of particular importance are chronic and acute conditions that are prevalent among this vulnerable population. AmeriChoice targets these conditions through specialized disease management programs for people with asthma, diabetes, congestive heart failure, sickle cell disease, chronic obstructive pulmonary disease, pneumonia, special needs, lead poisoning, HIV and high-risk obstetrical and maternal management. The Healthy First Steps program is a prime example: It supports women with high-risk pregnancies and coordinates care through an obstetrician and outreach personnel to help minimize premature deliveries and related medical complications. The company takes a proactive engagement approach toward preventive health services and screenings for children of all ages.

In addition to supporting appropriate clinical care, AmeriChoice further addresses the issues of cost by drawing on the expertise of UnitedHealthcare contracting and network servicing functions to leverage the full purchasing power of UnitedHealth Group on behalf of the Medicaid population. AmeriChoice, equipped with an outstanding and, in many ways, unique set of assets and an unwavering commitment to advancing the health of disadvantaged populations, is well positioned to expand further as legislators search for new and more effective ways to extend health care services to their most vulnerable citizens.

REAL SOLUTIONS

- > Access to care for 1.3 million Medicaid beneficiaries in 13 states
- > Clinical, operational and technology services that help states optimize health care programs
- > Care management services that help individuals with serious and chronic health conditions maintain optimal health
- > Disease management, education and outreach programs that target the most prevalent chronic conditions to affect Medicaid beneficiaries, including hypertension, cardiovascular disease, asthma, sickle cell disease, diabetes and high-risk pregnancies
- > Widely used telemedicine tools that enable nurses and physicians to monitor vital signs, check medication usage, assess patient status and facilitate overall care, particularly in settings with limited access to needed services
- > Comprehensive pharmacy services, including benefit design, programs that facilitate use of appropriate drugs, including generic drugs, and drug utilization review and preferred drug list development, which optimize pharmaceutical use and help contain rising costs
- > Advanced technology applications that support efficient, reliable and scalable business processes



Specialized Care Services

REAL NEEDS

Specialized Care Services offers a diverse array of specialty health and wellness services that can work alone or be easily integrated with medical benefits to provide an effective response to unique and ancillary health and well-being needs.

In a marketplace generally characterized by inconsistent and highly fragmented services, Specialized Care Services helps employers and insurers gain access to a comprehensive array of specialty health and well-being services nationwide. Specialized Care Services responds to needs in three broad areas: specialized health solutions, dental and vision services and group insurance solutions.

The largest component of Specialized Care Services offers behavioral health and substance abuse interventions and network services, as well as employee assistance and work/life programs. Equally important and even larger in terms of consumer health and well-being are national “centers of excellence” networks for complex medical conditions. First organized by UnitedHealth Group in the late 1980s, today these networks are the largest, deepest and most effective in the health care marketplace, addressing organ transplantation, complex cancers, end-stage renal disease, neonatal problems and cardiovascular disease. Related disease management programs, care support services and consumer health information services are also very effective programs, which can stand alone or be integrated with medical benefit plans to help individuals achieve and maintain optimal health.

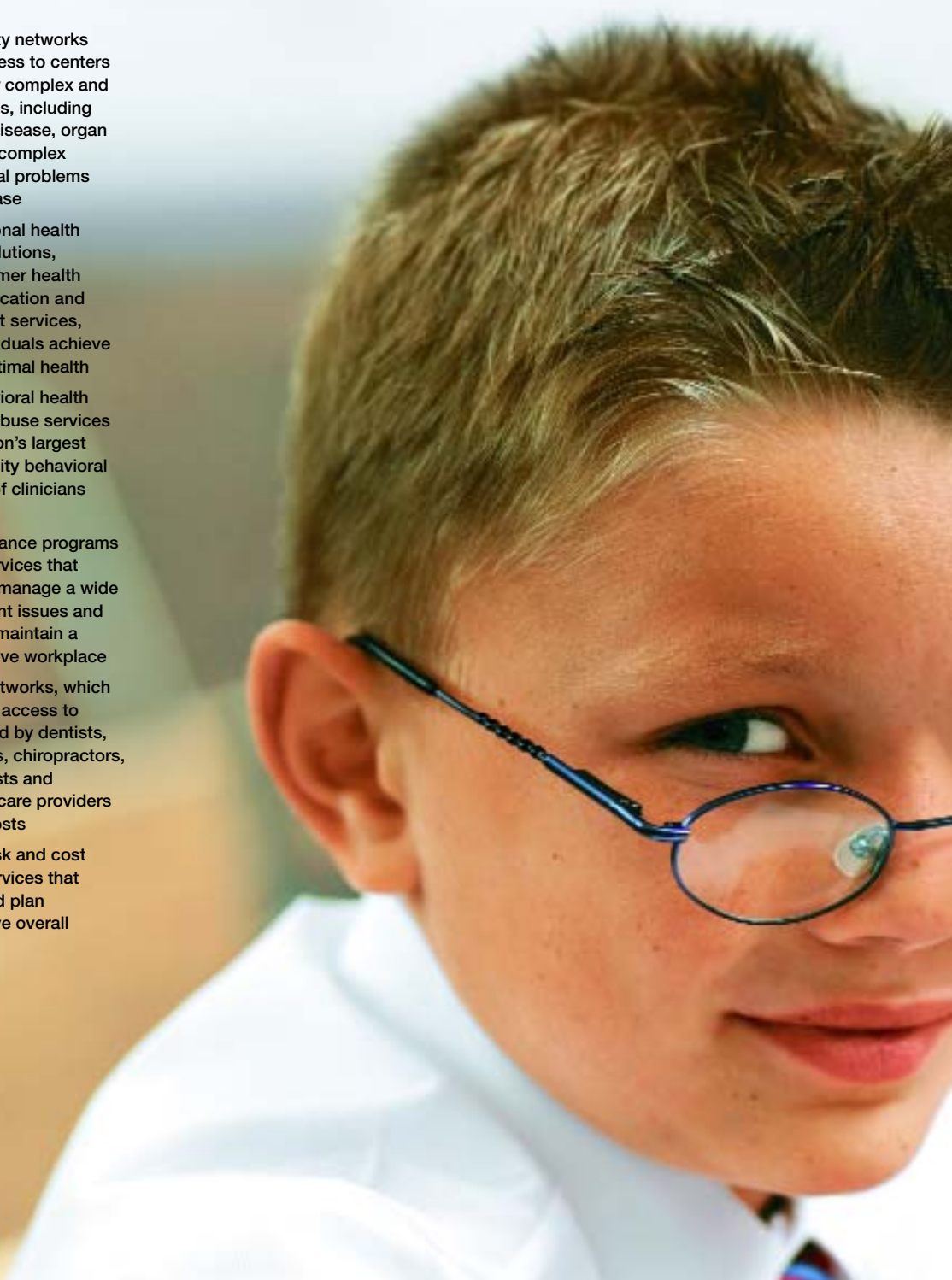
Specialized Care Services offers national capabilities in the areas of chiropractic, complementary and alternative care services, dental and vision services, and life and group insurance products. The growing demand for ancillary services responds to the rising trend among employers to offer consumer-driven, high-deductible health plans, which typically cover medical services only. Such health plans are enhanced by offering benefits that help employees offset out-of-pocket expenses. Specialized Care Services is well suited to meet this need as virtually all of its products qualify for reimbursement from medical spending accounts.

Specialized Care Services provides its product solutions through UnitedHealth Group businesses, as well as through employer groups, public sector programs and labor and government employee groups, and nonaffiliated health plans, insurance companies, third-party administrators and similar institutions that deliver their own branded products to their customers. Today, 54 million Americans have access to specialty services through the businesses of Specialized Care Services.

Specialized Care Services is still quite modest in size, relative to the potential market it serves. With more than \$220 billion in specialty services consumed by Americans each year, Specialized Care Services is positioned to achieve dramatic growth as it continues to diversify and innovate to meet the increasing needs of the specialty services markets.

REAL SOLUTIONS

- > Modular product and service designs that easily integrate to meet the varying needs of health plans, employers and individuals
- > National specialty networks that provide access to centers of excellence for complex and critical conditions, including cardiovascular disease, organ transplantation, complex cancers, neonatal problems and kidney disease
- > Integrated personal health management solutions, including consumer health information, education and decision-support services, which help individuals achieve and maintain optimal health
- > Access to behavioral health and substance abuse services through the nation's largest and highest quality behavioral health network of clinicians and counselors
- > Employee assistance programs and work/life services that help individuals manage a wide range of life-event issues and help employers maintain a healthy, productive workplace
- > Ancillary care networks, which offer nationwide access to services provided by dentists, vision specialists, chiropractors, physical therapists and complementary care providers at discounted costs
- > Sophisticated risk and cost management services that help insurers and plan sponsors improve overall affordability



Ingenix

REAL NEEDS

Ingenix provides innovative data, analytics, research and consulting products and services to meet the growing needs and demands of all sectors of the health care marketplace.

The need for information and technology-based applications to improve health care is clear; political, economic and consumer-driven pressures make this need even more acute. Today, more than 3,000 hospitals, 250,000 physicians, 2,000 health care payers and intermediaries, 150 *Fortune* 500 companies and 180 pharmaceutical and biotechnology companies use products and services from Ingenix to improve health care quality, affordability, usability and accessibility. Ingenix products are widely adopted in the markets it serves, and its clinical encounter database, which provides the foundation for software solutions that improve decision-making, is unparalleled in size and scope.

Ingenix solutions are designed to help advance clinical quality and cost appropriateness. Its decision management services, actuarial services, clinical cost trend reporting and forecasting, and predictive modeling tools help users analyze and understand medical cost trends, quality measures, utilization rates and the efficacy of new therapies and compounds, and its benchmarking tools enable customers to compare and contrast costs, develop risk-based intervention strategies and drive performance improvement. Ingenix claim management and coding tools help physicians and health care providers bill accurately and improve payment efficiency, while its editing and compliance solutions streamline and improve administrative processes for health care payers.

In the areas of oncology, the central nervous system, and infectious and pulmonary diseases, Ingenix helps pharmaceutical and biotechnology companies effectively and efficiently get drugs to market and, in turn, support improved health outcomes. No other clinical research enterprise has the clinical data sets available to Ingenix — capabilities that can be rapidly deployed to identify physicians who are treating patients with specific conditions and may be invaluable for a particular research project. Nor do any other clinical research enterprises offer post-approval data and analytic services to promptly track drug safety. These unparalleled data and analytics assets give Ingenix a unique competitive advantage.

The i3 Aperio™ drug experience registry is an example of this capability. It integrates Ingenix technology, epidemiological expertise and clinical data capabilities to provide continuous and contemporary real-world health care experience data on millions of patients. The U.S. Food and Drug Administration uses Aperio to review health care data relating to new prescription drug experiences and identify data signals that may indicate potential drug safety issues.

The outlook for Ingenix — both near and long term — is excellent as physicians, hospitals, employers, government agencies, pharmaceutical companies and other health care participants strive to improve the affordability, accessibility, quality and efficiency of health care.

REAL SOLUTIONS

- > More than 100 proprietary software applications that streamline and enhance the quality of key business processes on behalf of payers, care providers, employers, property and casualty insurers and life sciences companies
- > Integrated clinical, laboratory and pharmacy databases, which enable comprehensive analyses of clinical quality and efficiency measures
- > Directory databases integrated with performance assessment tools that help consumers identify physicians and care providers based on quality and cost effectiveness as well as location
- > Integrated consumer decision-support tools, which offer clinical quality and cost information to support more informed health care decisions
- > Predictive modeling solutions that help clients detect high-risk medical cases and repetitive health care patterns, so they can implement effective care management strategies
- > Clinical research services, which help pharmaceutical and biotechnology companies evaluate new therapeutic compounds and get them to market more quickly and cost-effectively
- > Data and analytics services that enable hospitals, physicians, health professionals, employers, payers, pharmaceutical companies and researchers to compare, contrast and model performance data
- > Decision-support tools that help employers, payers and insurers design and manage health benefit plans, focus spending and allocate resources effectively and efficiently
- > Data and analytic services that help pharmaceutical, biotechnology and device manufacturers, as well as regulators, assess the safety and efficacy of newly introduced interventions



2005 Financial Results

UNITEDHEALTH GROUP HIGHLIGHTS

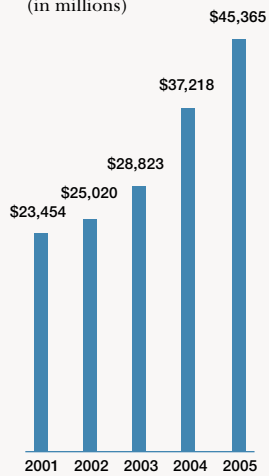
- > UnitedHealth Group realized diversified growth across its business segments and generated net earnings of \$3.3 billion, representing an increase of 28 percent over 2004.
- > Revenues reached \$45.4 billion, a 22 percent increase over 2004.
- > Earnings from operations were \$5.4 billion, up 31 percent over 2004.
- > Operating margins increased to 11.8 percent, up from 11.0 percent in 2004.
- > Earnings per common share were \$2.48, an increase of 26 percent over 2004.

(in millions, except per share data)	For the Year Ended December 31,				
	2005	2004	2003	2002	2001
CONSOLIDATED OPERATING RESULTS					
Revenues	\$45,365	\$37,218	\$28,823	\$25,020	\$23,454
Earnings From Operations	\$ 5,373	\$ 4,101	\$ 2,935	\$ 2,186	\$ 1,566
Net Earnings	\$ 3,300	\$ 2,587	\$ 1,825	\$ 1,352	\$ 913
Return on Shareholders' Equity	27.2%	31.4%	39.0%	33.0%	24.5%
Basic Net Earnings					
per Common Share	\$ 2.61	\$ 2.07	\$ 1.55	\$ 1.12	\$ 0.73
Diluted Net Earnings					
per Common Share	\$ 2.48	\$ 1.97	\$ 1.48	\$ 1.06	\$ 0.70
Common Stock Dividends per Share	\$ 0.015	\$ 0.015	\$ 0.008	\$ 0.008	\$ 0.008
CONSOLIDATED CASH FLOWS FROM (USED FOR)					
Operating Activities	\$ 4,326	\$ 4,135	\$ 3,003	\$ 2,423	\$ 1,844
Investing Activities	\$ (3,489)	\$ (1,644)	\$ (745)	\$ (1,391)	\$ (1,138)
Financing Activities	\$ 593	\$ (762)	\$ (1,126)	\$ (1,442)	\$ (585)
CONSOLIDATED FINANCIAL CONDITION					
(As of December 31)					
Cash and Investments	\$14,982	\$ 12,253	\$ 9,477	\$ 6,329	\$ 5,698
Total Assets	\$41,374	\$ 27,879	\$17,634	\$14,164	\$12,486
Debt	\$ 7,111	\$ 4,023	\$ 1,979	\$ 1,761	\$ 1,584
Shareholders' Equity	\$17,733	\$ 10,717	\$ 5,128	\$ 4,428	\$ 3,891
Debt-to-Total-Capital Ratio	28.6%	27.3%	27.8%	28.5%	28.9%

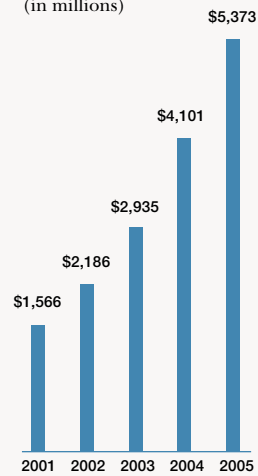
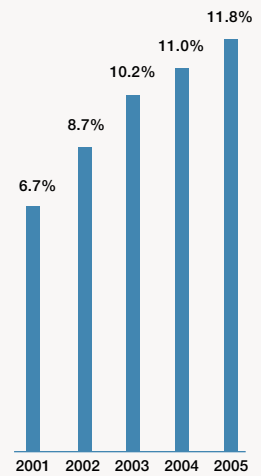
Financial Highlights should be read together with the Consolidated Financial Statements and Notes in the Annual Report on Form 10-K.

REVENUE

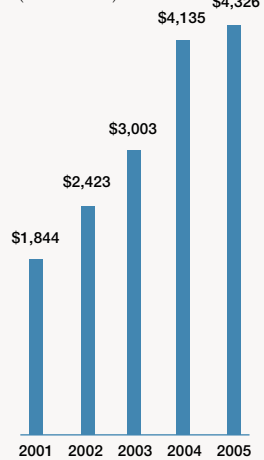
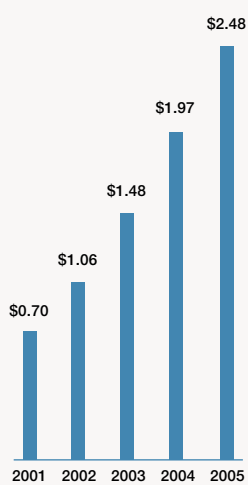
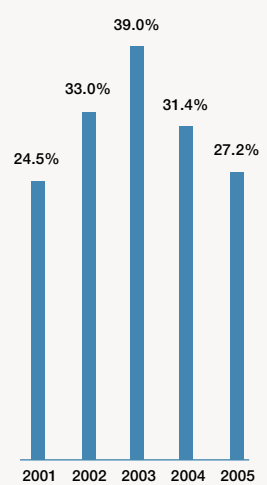
(in millions)

**EARNINGS FROM OPERATIONS**

(in millions)

**OPERATING MARGIN****CASH FLOWS FROM OPERATIONS**

(in millions)

**EARNINGS PER SHARE****RETURN ON EQUITY**

2005 Financial Results

BUSINESS SEGMENT HIGHLIGHTS

Uniprise

- > Uniprise revenue increased 14 percent in 2005, reaching \$3.85 billion.
- > The number of consumers affiliated with large employers served by Uniprise increased to 10.5 million.
- > The full-year operating margin of 20.8 percent reflected 70 basis points in year-over-year gain, driven largely by improving productivity through the application of advanced technology to basic business processes.
- > Earnings from operations grew \$122 million, or 18 percent, year over year to \$799 million in 2005.

Health Care Services

(includes UnitedHealthcare, Ovations and AmeriChoice)

- > UnitedHealthcare reported 2005 revenue of \$27.2 billion, up more than \$5.2 billion or 24 percent year over year.
- > Ovations revenue was \$9.4 billion in 2005, an increase of more than \$1.8 billion or 24 percent over 2004.
- > AmeriChoice revenue for 2005 was \$3.4 billion, up 9 percent year over year.
- > UnitedHealthcare increased the number of consumers served by approximately 700,000 over 2004, to more than 14 million.
- > Ovations saw significant positive response to early marketing efforts and enrolled 4.4 million seniors in Medicare Part D prescription drug benefit plans, including members of Medicare Advantage health plan programs with Part D benefits, as of mid-February 2006.
- > Earnings from operations increased \$1.0 billion, or 36 percent, to \$3.8 billion in 2005.

Specialized Care Services

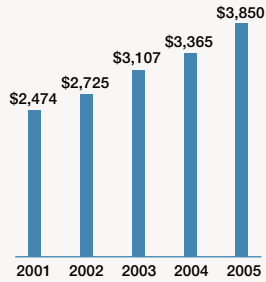
- > 2005 revenue increased 22 percent, year over year, to \$2.8 billion, driven by an 11 percent increase in consumers served by its specialty benefits businesses. Today, Specialized Care Services offers services to 54 million people.
- > Reflecting the strength of customer diversification and external growth, more than 55 percent of the consumers served by Specialized Care Services receive their major medical health benefits from a company outside of UnitedHealth Group.
- > The Specialized Care Services full-year operating margin of 20.7 percent decreased 40 basis points year over year, reflecting its evolving business mix, which favors lower margin products.
- > Earnings from operations grew \$97 million to \$582 million, a 20 percent year-over-year increase.

Ingenix

- > Ingenix 2005 revenue grew by \$124 million, or 19 percent, from year-end 2004.
- > Strong sales performance resulted in an Ingenix contract revenue backlog of more than \$850 million on December 31, 2005, the strongest position in its history and a year-over-year increase of 28 percent.
- > Earnings from operations increased \$48 million, or 37 percent, to \$177 million in 2005.
- > Exceptional earnings leverage — particularly from data, software and informatics products — helped expand the 2005 operating margin to 22.3 percent.

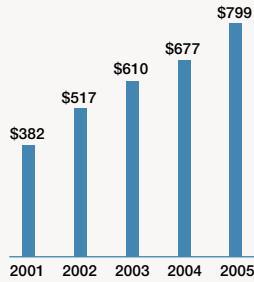
REVENUE

(in millions)

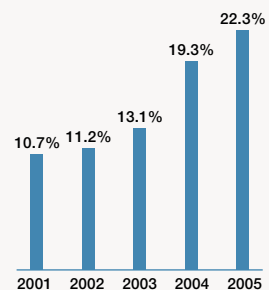
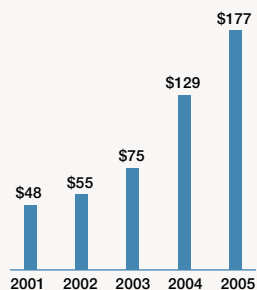
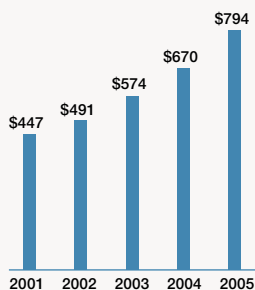
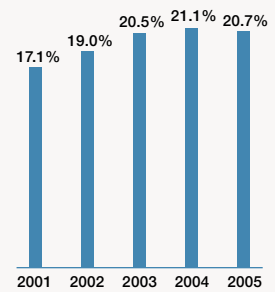
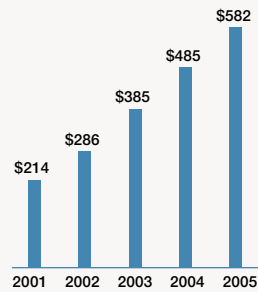
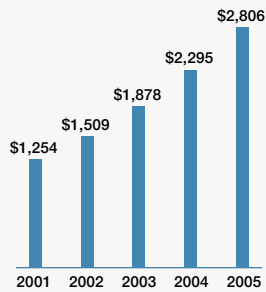
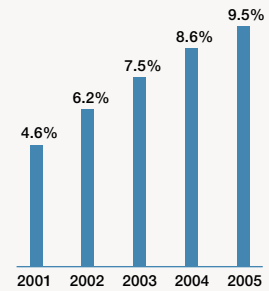
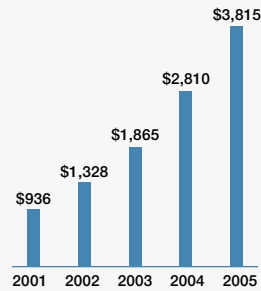
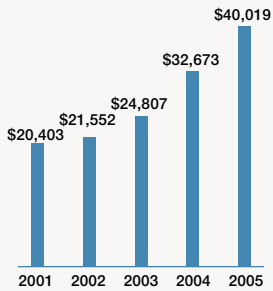
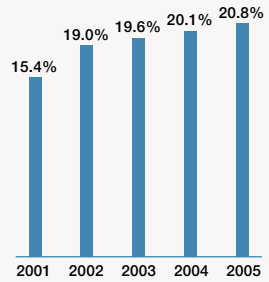


EARNINGS FROM OPERATIONS

(in millions)



OPERATING MARGIN



Corporate and Business Leaders

William W. McGuire, MD
Chairman and
Chief Executive Officer

Stephen J. Hemsley
President and
Chief Operating Officer

Patrick J. Erlandson
Chief Financial Officer

David J. Lubben
General Counsel and Secretary

Howard G. Phanstiel
Executive Vice President,
UnitedHealth Group, and
Chief Executive Officer, PacifiCare

Jeannine M. Rivet
Executive Vice President

Reed V. Tuckson, MD
Senior Vice President
Consumer Health and
Medical Care Advancement

L. Robert Dapper
Senior Vice President
Human Capital

John S. Penshorn
Senior Vice President and
Director, Capital Markets
Communications and Strategy

Richard H. Anderson
Executive Vice President,
UnitedHealth Group, and
Chief Executive Officer, Ingenix

Tracy L. Bahl
Chief Executive Officer
Uniprise

William A. Munsell
Chief Executive Officer
Specialized Care Services

Lois Quam
Chief Executive Officer
Ovations

Robert J. Sheehy
Chief Executive Officer
UnitedHealthcare

Anthony Welters
Chief Executive Officer
AmeriChoice

Board of Directors

William C. Ballard, Jr.
Of Counsel
Greenebaum Doll & McDonald PLLC

Richard T. Burke
Director of
Meritage Homes Corporation and
First Cash Financial Services, Inc.

Stephen J. Hemsley
President and
Chief Operating Officer
UnitedHealth Group

James A. Johnson
Vice Chairman
Perseus, LLC

Thomas H. Kean
Former President of
Drew University
Former Governor of New Jersey

Douglas W. Leatherdale
Former Chairman and
Chief Executive Officer
The St. Paul Companies, Inc.

William W. McGuire, MD
Chairman and
Chief Executive Officer
UnitedHealth Group

Mary O. Munding, DrPH, RN
Dean, School of Nursing and
Centennial Professor in Health
Policy, and Associate Dean,
Faculty of Medicine
Columbia University

Robert L. Ryan
Former Senior Vice President and
Chief Financial Officer
Medtronic, Inc.

Donna E. Shalala, PhD
President of
University of Miami

William G. Spears
Senior Principal
Spears Grisanti & Brown LLC

Gail R. Wilensky, PhD
Senior Fellow
Project HOPE

AUDIT COMMITTEE
William C. Ballard, Jr.
Thomas H. Kean
Douglas W. Leatherdale

**COMPENSATION AND HUMAN
RESOURCES COMMITTEE**
James A. Johnson
Mary O. Munding
William G. Spears

**COMPLIANCE AND GOVERNMENT
AFFAIRS COMMITTEE**
Donna E. Shalala
Gail R. Wilensky

NOMINATING COMMITTEE
William C. Ballard, Jr.
Thomas H. Kean
Douglas W. Leatherdale
William G. Spears

EXECUTIVE COMMITTEE
William C. Ballard, Jr.
Douglas W. Leatherdale
William W. McGuire
William G. Spears

Investor Information

MARKET PRICE OF COMMON STOCK

The following table shows the range of high and low sales prices for the company's stock as reported on the New York Stock Exchange for the calendar periods shown through February 15, 2006. These prices do not include commissions or fees associated with purchasing or selling this security.

	High	Low
2006		
First Quarter through February 15, 2006	\$ 62.93	\$ 56.00
2005		
First Quarter	\$ 48.33	\$ 42.63
Second Quarter	\$ 53.64	\$ 44.30
Third Quarter	\$ 56.66	\$ 47.75
Fourth Quarter	\$ 64.61	\$ 53.84
2004		
First Quarter	\$ 32.25	\$ 27.73
Second Quarter	\$ 34.25	\$ 29.31
Third Quarter	\$ 37.38	\$ 29.67
Fourth Quarter	\$ 44.38	\$ 32.31

As of February 15, 2006, the company had 14,741 shareholders of record.

ACCOUNT QUESTIONS

Our transfer agent, Wells Fargo, can help you with a variety of shareholder-related services, including:

- Change of address
- Lost stock certificates
- Transfer of stock to another person
- Additional administrative services

You can call our transfer agent toll free at:
(800) 468-9716 or locally at (651) 450-4064

You can write them at:

Wells Fargo Shareowner Services
P.O. Box 64854
Saint Paul, Minnesota 55164-0854

Or you can e-mail our transfer agent at:
stocktransfer@wellsfargo.com

INVESTOR RELATIONS

You can contact UnitedHealth Group Investor Relations to order, without charge, financial documents such as the Annual Report on Form 10-K (which is the UnitedHealth Group Annual Report to Shareholders) and Summary Annual Report. You can write to us at:

Investor Relations, MN008-T930
UnitedHealth Group
P.O. Box 1459
Minneapolis, Minnesota 55440-1459

You can also obtain information about UnitedHealth Group and its businesses, including financial documents, online at www.unitedhealthgroup.com.

ANNUAL MEETING

We invite UnitedHealth Group shareholders to attend our annual meeting, which will be held on Tuesday, May 2, 2006, at 10 a.m. CDT, at UnitedHealth Group Center, 9900 Bren Road East, Minnetonka, Minnesota.

DIVIDEND POLICY

UnitedHealth Group's board of directors established the company's dividend policy in August 1990. The policy requires the board to review the company's financial statements following the end of each fiscal year and decide whether it is advisable to declare a dividend on the outstanding shares of common stock.

Shareholders of record on April 1, 2005, received an annual dividend for 2005 of \$0.015 per share. On January 31, 2006, the board approved an annual dividend for 2006 of \$0.03 per share. The dividend will be paid on April 17, 2006, to shareholders of record at the close of business on April 3, 2006.

NEW YORK STOCK EXCHANGE — STOCK LISTING AND CORPORATE GOVERNANCE

The company's common stock is traded on the New York Stock Exchange (NYSE) under the symbol UNH. As required by the NYSE, the company submitted an unqualified certification of its Chief Executive Officer to the NYSE in 2005. The company has also filed as exhibits to its Annual Report on Form 10-K for the year ended December 31, 2005, the Chief Executive Officer and Chief Financial Officer certifications required under the Sarbanes-Oxley Act.

FORWARD-LOOKING STATEMENTS

This Summary Annual Report contains statements, estimates or projections that constitute “forward-looking” statements as defined under U.S. federal securities laws. Generally the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. A list and description of some of the risks and uncertainties can be found in our reports filed with the Securities and Exchange Commission from time to time, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Except to the extent otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements.

UnitedHealth Group
UnitedHealth Group Center
9900 Bren Road East
Minnetonka, Minnesota 55343

www.unitedhealthgroup.com



UnitedHealth Group®