

UNITEDHEALTH GROUP
Reconciliation of Non-GAAP Measures
Quarter and Full Year Ended December 31, 2008

- Operating Results Excluding Special Items
- Adjusted Cash Flows from Operating Activities and Ratio of Adjusted Cash Flows from Operating Activities to Adjusted Net Earnings

Use of Non-GAAP Financial Measures

Operating results excluding special items and adjusted cash flows from operating activities as used in the press release are not calculated in accordance with GAAP and should not be considered a substitute for or superior to financial measures calculated in accordance with GAAP. Management believes that the use of each of these non-GAAP financial measures improves the comparability of our results between periods. These financial measures provide investors and our management with useful information to measure and forecast our results of operations, to compare on a consistent basis our results of operations for the current period to that of prior periods, and to compare our results of operations on a more consistent basis against that of other companies in the health care industry.

These non-GAAP financial measures have limitations in that they do not reflect all of the special items or certain cash payments associated with the operations of our business as determined in accordance with GAAP. As a result, one should not consider these measures in isolation. We compensate for these limitations by analyzing current and future results on a GAAP basis as well as non-GAAP basis, disclosing these GAAP financial measures, and providing a reconciliation from GAAP to non-GAAP financial measures.

UNITEDHEALTH GROUP
Reconciliation of Non-GAAP Measures
Operating Results Excluding Special Items
(in millions, except per share data and percentages)
(unaudited)

	Quarter Ended December 31, 2008			Quarter Ended September 30, 2008		
	Consolidated GAAP Reporting	Non-GAAP Reconciling Items	Operating Results Excluding Items (a)	Consolidated GAAP Reporting	Non-GAAP Reconciling Items	Operating Results Excluding Items (b)
REVENUES						
Premiums	\$ 18,581	\$ -	\$ 18,581	\$ 18,294	\$ -	\$ 18,294
Services	1,295	-	1,295	1,287	-	1,287
Products	469	-	469	432	-	432
Investment and Other Income	109	-	109	143	-	143
Total Revenues	<u>20,454</u>	<u>-</u>	<u>20,454</u>	<u>20,156</u>	<u>-</u>	<u>20,156</u>
OPERATING COSTS						
Medical Costs	15,015	-	15,015	14,943	-	14,943
Operating Costs	3,486	(340)	3,146	2,974	40	3,014
Cost of Products Sold	415	-	415	387	-	387
Depreciation and Amortization	259	-	259	254	-	254
Total Operating Costs	<u>19,175</u>	<u>(340)</u>	<u>18,835</u>	<u>18,558</u>	<u>40</u>	<u>18,598</u>
EARNINGS FROM OPERATIONS	1,279	340	1,619	1,598	(40)	1,558
Interest Expense	(155)	-	(155)	(166)	-	(166)
EARNINGS BEFORE INCOME TAXES	1,124	340	1,464	1,432	(40)	1,392
Provision for Income Taxes	(398)	(125)	(523)	(512)	15	(497)
NET EARNINGS	<u>\$ 726</u>	<u>\$ 215</u>	<u>\$ 941</u>	<u>\$ 920</u>	<u>\$ (25)</u>	<u>\$ 895</u>
DILUTED NET EARNINGS PER COMMON SHARE	<u>\$ 0.60</u>	<u>\$ 0.18</u>	<u>\$ 0.78</u>	<u>\$ 0.75</u>	<u>\$ (0.02)</u>	<u>\$ 0.73</u>
Diluted Weighted-Average Common Shares Outstanding	<u>1,213</u>		<u>1,213</u>	<u>1,227</u>		<u>1,227</u>
Medical Care Ratio	80.8%		80.8%	81.7%		81.7%
Operating Cost Ratio	17.0%		15.4%	14.8%		15.0%
Operating Margin	6.3%		7.9%	7.9%		7.7%
Income Tax Rate	35.4%		35.7%	35.8%		35.7%

(a) Excludes pre-tax Operating Costs of \$350 million for settlement of class action litigation related to reimbursement for out-of-network medical services, partially offset by a net reduction in pre-tax Operating Costs of \$10 million for insurance recoveries and legal fees related to various matters.

(b) Excludes a reduction in pre-tax Operating Costs of \$40 million from a change in estimated net costs to settle two class action lawsuits related to the Company's historical stock option practices.

UNITEDHEALTH GROUP
Reconciliation of Non-GAAP Measures
Operating Results Excluding Special Items
(in millions, except per share data and percentages)
(unaudited)

	Year Ended December 31, 2008			Year Ended December 31, 2007		
	Consolidated GAAP Reporting	Non-GAAP Reconciling Items	Operating Results Excluding Items (a)	Consolidated GAAP Reporting	Non-GAAP Reconciling Items	Operating Results Excluding Items (b)
REVENUES						
Premiums	\$ 73,608	\$ -	\$ 73,608	\$ 68,781	\$ -	\$ 68,781
Services	5,152	-	5,152	4,608	-	4,608
Products	1,655	-	1,655	898	-	898
Investment and Other Income	771	-	771	1,144	-	1,144
Total Revenues	81,186	-	81,186	75,431	-	75,431
OPERATING COSTS						
Medical Costs	60,359	-	60,359	55,435	-	55,435
Operating Costs	13,103	(1,083)	12,020	10,583	(176)	10,407
Cost of Products Sold	1,480	-	1,480	768	-	768
Depreciation and Amortization	981	-	981	796	-	796
Total Operating Costs	75,923	(1,083)	74,840	67,582	(176)	67,406
EARNINGS FROM OPERATIONS	5,263	1,083	6,346	7,849	176	8,025
Interest Expense	(639)	-	(639)	(544)	-	(544)
EARNINGS BEFORE INCOME TAXES	4,624	1,083	5,707	7,305	176	7,481
Provision for Income Taxes	(1,647)	(400)	(2,047)	(2,651)	(64)	(2,715)
NET EARNINGS	\$ 2,977	\$ 683	\$ 3,660	\$ 4,654	\$ 112	\$ 4,766
DILUTED NET EARNINGS PER COMMON SHARE	\$ 2.40	\$ 0.55	\$ 2.95	\$ 3.42	\$ 0.08	\$ 3.50
Diluted Weighted-Average Common Shares Outstanding	1,241		1,241	1,361		1,361
Medical Care Ratio	82.0%		82.0%	80.6%		80.6%
Operating Cost Ratio	16.1%		14.8%	14.0%		13.8%
Operating Margin	6.5%		7.8%	10.4%		10.6%
Income Tax Rate	35.6%		35.9%	36.3%		36.3%

(a) Excludes pre-tax Operating Costs of \$350 million for settlement of class action litigation related to reimbursement for out-of-network medical services, partially offset by a net reduction in pre-tax Operating Costs of \$10 million for insurance recoveries and legal fees related to various matters, and pre-tax Operating Costs from prior quarters of \$882 million for settlement of two class action lawsuits and related legal costs, \$46 million for employee severance related to operating cost reduction initiatives and other items, partially offset by a \$185 million reduction in Operating Costs for proceeds from the sale of certain assets and membership in the individual Medicare Advantage business in Nevada.

(b) Excludes \$87 million of Operating Costs for the settlement of Internal Revenue Code Section 409A (IRS Section 409A) surtax liabilities on behalf of non-officer employees who exercised certain options in 2006 and 2007, and \$89 million of non-cash Operating Costs for the modification charge due to repricing unexercised options subject to IRS Section 409A.

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Reconciliation of Non-GAAP Measures
Adjusted Cash Flows from Operating Activities and Ratio of Adjusted Cash Flows
from Operating Activities to Adjusted Net Earnings
(in billions)
(unaudited)

	Year Ended
	December 31, 2008
GAAP Cash Flows From Operating Activities	\$ 4.2
Legal Settlement Payments, net of tax benefit	0.6 (a)
Adjusted Cash Flows From Operating Activities (a)	<u>\$ 4.8</u>
GAAP Net Earnings	\$ 3.0
Adjusted Net Earnings	\$ 3.7
Ratio of Cash Flows From Operating Activities to Net Earnings	1.4
Ratio of Adjusted Cash Flows From Operating Activities to Adjusted Net Earnings	1.3

(a) Adjusted Cash Flows From Operating Activities for the year ended December 31, 2008 excludes net cash payments to settle two class action lawsuits related to the Company's historical stock option practices.