



## Humana Inc. Announces Investor Day and Raises Earnings Guidance

December 1, 2004



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LOUISVILLE, Ky., Dec 1, 2004 /PRNewswire-FirstCall via COMTEX/ -- Humana Inc. (NYSE: HUM) today announced that its management team will be hosting an Investor Day in New York City on Thursday, December 2, 2004. The company's Investor Day will include presentations by various members of management regarding Humana's strategic, operational and financial progress to date and future earnings guidance. Humana's event is scheduled to begin at 8:00 a.m. eastern.

In conjunction with the meeting, the company is raising its guidance for diluted earnings per common share for 2004 to approximately \$1.69, at the higher-end of its previous guidance range of \$1.66 to \$1.69, with 2005 expected to be a 15 percent increase over the current 2004 estimate. Other earnings guidance points anticipated to be discussed at the Investor Day are detailed in this release.

The attached guidance points include projections for cash flows from operations that are not in accordance with Generally Accepted Accounting Principles ("GAAP"). When reviewing and analyzing Humana's cash flow position, company management apportions the Centers for Medicare and Medicaid Services ("CMS") premium payment in each month to match disbursements. To do otherwise distorts meaningful analysis of the company's operating cash flow. Therefore, decisions such as management's forecasting and business plans regarding cash flow use this non-GAAP measurement.

Humana invites the investing public and the media to listen to its Investor Day via the Internet. A live virtual presentation (audio with slides) will be available and may be accessed via Humana's Investor Relations page at <http://www.humana.com>. The company suggests web participants sign on approximately 15 minutes in advance of the meeting. The company also suggests web participants visit the site well in advance of the call to run a system test and to download any free software needed to view the presentation.

This news release contains forward-looking statements. The forward-looking statements made in this news release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be significantly impacted by certain risks and uncertainties described in Humana's Form 10-K for the year ended December 31, 2003, and its Form 10-Qs for the quarters ended March 31, 2004, June 30, 2004, and September 30, 2004, as filed by Humana with the Securities and Exchange Commission.

Humana Inc., headquartered in Louisville, Kentucky, is one of the nation's largest publicly traded health benefits companies, with approximately 7 million medical members located primarily in 15 states and Puerto Rico. Humana offers a diversified portfolio of health insurance products and related services -- through traditional and consumer-choice plans -- to employer groups, government-sponsored plans, and individuals.

Over its 43-year history, Humana has consistently seized opportunities to meet changing customer needs. Today, Humana is a leader in consumer engagement. Throughout its diversified customer portfolio, the company provides guidance that can both help lower costs and lead to a better health plan experience.

More information regarding Humana is available to investors via the Investor Relations page of the company's web site at <http://www.humana.com>, including copies of:

- \* Annual report to stockholders;
- \* Securities and Exchange Commission filings;
- \* Most recent investor conference presentation;
- \* Quarterly earnings press releases (including detailed description of unusual items, where applicable);
- \* Audio archive of most recent earnings release conference call;
- \* Calendar of events (includes upcoming earnings conference call dates, times, and access number, as well as planned interaction with institutional investors);
- \* Corporate Governance Information.

### Humana's Investor Day 2004

#### AGENDA

Business session - 8:00 a.m. - 12:30 p.m. eastern

Topic	Speaker	Title
Welcome	Regina C. Nethery	Vice President, Investor Relations
Opening Remarks	Michael B. McCallister	President and Chief Executive

Officer

Product & Clinical Innovation Jonathan T. Lord, M.D. Senior Vice President and Chief Innovation Officer

Elizabeth D. Bierbower Vice President, Product Innovation

Customer Experience Jeremy B. Sochol Vice President-Human Resources Standard Register

Technological Innovation & Service Operations Bruce J. Goodman Senior Vice President and Chief Service and Information Officer

Operational Review James E. Murray Chief Operating Officer

R. Eugene Shields Senior Vice President, Government and Senior Operations

Tod J. Zacharias Vice President, Individual and Small Group Operations

Stefen F. Brueckner Vice President, Commercial Markets and Mid-Market Operations

William J. Tait Vice President, Sales and National Accounts

David J. Baker President and Chief Executive Officer HMHS

Financials James H. Bloem Senior Vice President and Chief Financial Officer

Closing Remarks Michael B. McCallister President and Chief Executive Officer

Earnings Guidance Points  
Humana Investor Day 2004

2004 Guidance Points 2005 Guidance Points

Earnings per share - Approximately \$1.69 15% increase over 2004 full year

Earnings per share - Approximately \$0.26  
4Q04

Consolidated revenues \$13 billion

Commercial segment \$140 million Increase of 10% to 15% pretax income

Commercial medical enrollment Year-over-year growth of 220,000 to 230,000 Slightly higher excluding loss of 89K (including acquisition member account on of Ochsner Health Plan January 1, 2005 on April 1, 2004)

Increase in Commercial segment fully insured medical premiums on a per-member basis 6% to 8% overall; 7.5% to 9.5% group only 6.5% to 8.5% overall; 8.5% to 10.5% group only

Increase in Commercial segment fully insured medical costs on a per-member basis 6.5% to 8.5% overall; 8.5% to 10.5% group only 6.5% to 8.5% overall; 8.5% to 10.5% group only

TRICARE pretax margin 2% to 3% 2% to 3%

Medicare year-end membership Growth of 15% (including acquisition of Ochsner Health Plan on April 1, 2004) Growth of 10% to 15%

TRICARE membership 2.8 million No material change

Increase in Medicare medical premiums on a per-member basis 9% to 11% 5% to 7%

Increase in Medicare medical costs on a per-member basis 9% to 11% 5% to 7%

TRICARE revenues \$2.2 billion

Consolidated SG&A ratio 14% to 15% 13.5% to 14.5%

Commercial segment SG&A expense ratio 16% to 17%

Government segment SG&A expense ratio 11% to 12%

Cash Flows from Operations - GAAP \$288 million to \$338 million

Cash Flows from Operations - Non-GAAP \$500 million to \$550 million (GAAP cash flows plus \$212 million related to the timing of the premium payment from CMS)

Capital expenditures \$100 million to \$110 million

Effective tax rate Approximately 34% Approximately 34%

SOURCE Humana Inc.

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