



## Humana Revises Earnings Guidance

March 12, 2008

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LOUISVILLE, Ky.--(BUSINESS WIRE)--March 12, 2008--Humana Inc. (NYSE: HUM) today announced that the company has revised its guidance for diluted earnings per common share (EPS) for the first quarter of 2008 (1Q08) and for the year ending December 31, 2008 (FY08). The revised guidance is the result of updated projections for the company's FY08 stand-alone PDP financial performance. The company's Medicare Advantage, Commercial and Military services businesses are not affected by this revision in earnings guidance.

Humana now anticipates EPS for 1Q08 in the range of \$0.44 to \$0.46 versus its previous guidance of \$0.80 to \$0.85 with EPS for FY08 now projected to be in the range of \$4.00 to \$4.25 compared to previous guidance of \$5.35 to \$5.55.

The company's revised projections for its stand-alone PDPs' financial performance are based upon analysis of pharmacy claims through February 2008. Higher-than-anticipated claims volumes for the stand-alone PDPs year to date are reflective of a combination of factors including:

- Enhanced Plan actuarial assumptions versus experience,
- Enhanced Plan new member experience, and
- Standard Plan member mix.

### Conference Call & Virtual Slide Presentation

Humana will host a conference call, as well as a virtual slide presentation, at 8:30 a.m. Eastern time today to discuss this press release and the company's revised expectations for 2008 earnings. A live virtual presentation (audio with slides) may be accessed via Humana's Investor Relations page at [www.humana.com](http://www.humana.com). The company suggests web participants sign on approximately 15 minutes in advance of the call. 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.

All parties interested in the audio-only portion of the conference call are invited to dial 888-625-7430. No password is required. The company suggests participants dial in approximately ten minutes in advance of the call. For those unable to participate in the live event, the virtual presentation archive may be accessed via the Historical Webcasts & Presentations section of the Investor Relations page at [www.humana.com](http://www.humana.com).

### Cautionary Statement

This news release contains statements that are forward-looking. The forward-looking statements herein 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 the Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission.

### About Humana

Humana Inc., headquartered in Louisville, Kentucky, is one of the nation's largest publicly traded health and supplemental benefits companies, with approximately 11.5 million medical members. Humana is a full-service benefits solutions company, offering a wide array of health and supplemental benefit plans for employer groups, government programs and individuals.

Over its 47-year history, Humana has consistently seized opportunities to meet changing customer needs. Today, the company is a leader in consumer engagement, providing guidance that leads to lower costs and a better health plan experience throughout its diversified customer portfolio.

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

- Annual reports to stockholders;
- Securities and Exchange Commission filings;
- Most recent investor conference presentations;
- Quarterly earnings news releases;
- Replay of most recent earnings release conference calls;
- Calendar of events (includes upcoming earnings conference call dates and times, as well as planned interaction with research analysts and institutional investors);
- Corporate Governance information.

Humana Inc. - Earnings Guidance Points as of March 12, 2008

(in accordance with For the year ending December 31, 2008  
Generally Accepted Accounting Principles)

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Diluted earnings Full year 2008: \$4.00 to \$4.25 Revised guidance

per common share (was \$5.35 to \$5.55)  
Revised guidance  
First quarter 2008: \$0.44 to  
\$0.46 (was \$0.80 to \$0.85)

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Revenues Consolidated revenues: \$28  
billion  
to \$30 billion

Premiums and ASO fees:  
Medicare Advantage: \$13  
billion to \$14 billion;  
Medicare stand-alone PDPs:  
Approximately \$3.4  
billion;  
Military services: \$3.2  
billion to \$3.4 billion;  
Commercial Segment: \$7.2  
billion to \$7.7 billion

Consolidated investment  
income: \$350 million to \$370  
million

Consolidated other revenue:  
\$200 million to \$250 million

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Ending medical Medicare Advantage: Up 200,000  
membership (fully- to 250,000 from prior year  
insured and ASO  
combined) Medicare stand-alone PDPs:  
3.15 million to 3.20 million

Military services: No material  
change from prior year

Medicaid: No material change  
from prior year

Commercial: Up approximately  
65,000 to 95,000 from prior  
year

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Benefit expenses Medicare products: benefits Revised guidance  
ratio in the range of 85% to Medicare Advantage  
86% (was 83% to 84%); and stand-alone  
PDP combined

Commercial fully-insured  
groups:  
Same-store net benefit expense  
trends and premium yields of  
6% to 7% (3.5% to 4.5%)  
including the impact of  
changes in the company's  
business mix)

Secular Commercial benefit Secular trends  
expense trend components as exclude the impact  
follows: inpatient hospital of benefit buy-  
utilization - flat to 1 downs  
percent; inpatient and  
outpatient hospital rates -  
mid to upper single digits;

outpatient hospital  
utilization - low to mid  
single digits; physician -  
mid single digits; and  
pharmacy - mid to upper  
single digits.

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Selling, general & administrative expense ratio	13.5% to 14%	SG&A expenses as a percent of premiums, administrative costs, and other revenue
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Depreciation & amortization	\$230 million to \$240 million
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Interest expense	\$75 million to \$80 million
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Government Segment line-of-business operating margins	Medicare products: approximately 3% (was 5%) and stand-alone PDP combined	Revised guidance Medicare Advantage
	Military services: 2.5% to 3.5%	

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Commercial Segment pretax earnings	\$280 million to \$300 million
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Cash flows from operations	\$1.2 billion to \$1.5 billion (was \$1.5 billion to \$1.8 billion)	Revised guidance
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Capital expenditures	Approximately \$275 million
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Effective tax rate	35.5% to 36%
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Shares used in computing full-year EPS	Approximately 173 million
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CONTACT:  
Humana Inc.  
Investor Relations:  
Regina Nethery, 502-580-3644  
Rnethery@humana.com  
or  
Corporate Communications:  
Tom Noland, 502-580-3674  
Tnoland@humana.com

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