news release

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Humana Signs Definitive Agreement to Sell Concentra To Select Medical and Welsh Carson; EPS Guidance for 2015 Reiterated

LOUISVILLE, KY (March 23, 2015) – Humana Inc. (NYSE: HUM) announced today that it has reached a definitive agreement to sell the stock of its wholly-owned subsidiary, Concentra Inc. (Concentra), to MJ Acquisition Corporation, a joint venture between Select Medical Holdings Corporation (NYSE: SEM), a leading operator of specialty hospitals and outpatient rehabilitation clinics in the U.S., and Welsh, Carson, Anderson & Stowe XII, L.P., a private equity fund, for approximately $1.055 billion in cash, subject to customary adjustments.

Humana also reiterated its 2015 guidance for diluted earnings per common share (EPS) of $8.50 to $9.00.

Concentra is one of the nation's largest providers of occupational health, urgent care and physical therapy services to employers and consumers across the U.S. treating over 14 percent of all work-related injuries nationwide. Humana acquired Concentra in December 2010. Subsequently, the assets of certain privately-operated Community Based Outpatient Clinics were transferred into Concentra. Additionally, Humana has divested certain Concentra non-core assets over the past four years.

Humana acquired Concentra as part of a series of efforts to expand convenient, affordable high-quality health care for its membership base. These efforts also included subsequent investments in primary care platforms including owned physician practices, clinics and medical services organizations (MSOs). As the company's strategy has been refined over the past several years, the primary care platform has proven to better advance the company's integrated care delivery model than Concentra's focus on occupational injuries.

The decision to divest Concentra demonstrates the company's commitment to its previously announced business portfolio review. Humana will continue performing its review of the alignment and return potential of businesses across the organization to ensure each supports the company's integrated care delivery strategy and earns the appropriate return on invested capital.

"We greatly appreciate the focus on consumers and quality of health care our Concentra associates demonstrate on a daily basis," said Bruce D. Broussard, President and Chief Executive Officer of Humana. "Though Concentra's operations did not ultimately align with Humana's strategy as well as we had originally anticipated, we believe Humana and Concentra have gained valuable insights into consumer behavior over the past several years that will serve us both well moving forward. We expect Humana will continue to invest in other primary care assets, including MSOs, as we continue to expand our integrated care delivery model."

Concentra reported revenues for the year ended December 31, 2014 were approximately $1.0 billion. Humana anticipates the Concentra divestiture will be slightly dilutive to 2015 EPS excluding any one-time gain expected upon the close of the transaction.

The Concentra transaction is anticipated to close during the second quarter of 2015 subject to Hart Scott Rodino regulatory clearance and customary closing conditions. Humana anticipates using the net proceeds from the transaction to advance its strategic growth priorities, to fund additional share repurchases under its existing $2 billion authorization and for general corporate purposes.

Goldman, Sachs & Co. is acting as financial advisor to Humana. Fried, Frank, Harris, Shriver & Jacobson LLP is acting as legal advisor to Humana.

Cautionary Statement

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of Humana's executive officers, the words or phrases like "expects," "believes," "anticipates," "intends," "likely will result," "estimates," "projects" or variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the "Risk Factors" section of the company's SEC filings, a summary of which includes but is not limited to the following:

- If Humana does not design and price its products properly and competitively, if the premiums Humana receives are insufficient to cover the cost of health care services delivered to its members, if the company is unable to implement clinical initiatives to provide a better health care experience for its members, lower costs and appropriately document the risk profile of its members, or if its estimates of benefits expense are inadequate, Humana's profitability could be materially adversely affected. Humana estimates the costs of its benefit expense payments, and designs and prices its products accordingly, using actuarial methods and assumptions based upon, among other relevant factors, claim payment patterns, medical cost inflation, and historical developments such as claim inventory levels and claim receipt patterns. These estimates, however, involve extensive judgment, and have considerable inherent variability because they are extremely sensitive to changes in claim payment patterns and medical cost trends.
- If Humana fails to effectively implement its operational and strategic initiatives, particularly its Medicare initiatives, state-based contract strategy, and its participation in the new health insurance exchanges, the company's business may be materially adversely affected, which is of particular importance given the concentration of the company's revenues in these products.
- If Humana fails to properly maintain the integrity of its data, to strategically implement new information systems, to protect Humana's proprietary rights to its systems, or to defend against cyber-security attacks, the company's business may be materially adversely affected.
- Humana's business may be materially adversely impacted by the adoption of a new coding set for diagnoses (commonly known as ICD-10), the implementation of which has been deferred to at least October 1, 2015.

- Humana is involved in various legal actions, or disputes that could lead to legal actions (such as, among other things, provider contract disputes relating to rate adjustments resulting from the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, commonly referred to as "sequestration"; other provider contract disputes; and qui tam litigation brought by individuals on behalf of the government) and governmental and internal investigations, any of which, if resolved unfavorably to the company, could result in substantial monetary damages or changes in its business practices. Increased litigation and negative publicity could also increase the company's cost of doing business.
- As a government contractor, Humana is exposed to risks that may materially adversely affect its business or its willingness or ability to participate in government health care programs including, among other things, loss of material government contracts, governmental audits and investigations, potential inadequacy of government-determined payment rates, potential restrictions on profitability, including by comparison of profitability of the company's Medicare Advantage business to non-Medicare Advantage business, or other changes in the governmental programs in which Humana participates.
- The Health Care Reform Law, including The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010, could have a material adverse effect on Humana's results of operations, including restricting revenue, enrollment and premium growth in certain products and market segments, restricting the company's ability to expand into new markets, increasing the company's medical and operating costs by, among other things, requiring a minimum benefit ratio on insured products, lowering the company's Medicare payment rates and increasing the company's expenses associated with a non-deductible health insurance industry fee and other assessments; the company's financial position, including the company's ability to maintain the value of its goodwill; and the company's cash flows.
- Humana's participation in the new federal and state health care exchanges, which entail uncertainties associated with mix, volume of business, and the operation of premium stabilization programs, which are subject to federal administrative action, could adversely affect the company's results of operations, financial position, and cash flows.
- Humana's business activities are subject to substantial government regulation. New laws or regulations, or changes in existing laws or regulations or their manner of application could increase the company's cost of doing business and may adversely affect the company's business, profitability and cash flows.
- If Humana fails to develop and maintain satisfactory relationships with the providers of care to its members, the company's business may be adversely affected.
- Humana's pharmacy business is highly competitive and subjects it to regulations in addition to those the company faces with its core health benefits businesses.
- Changes in the prescription drug industry pricing benchmarks may adversely affect Humana's financial performance.
- If Humana does not continue to earn and retain purchase discounts and volume rebates from pharmaceutical manufacturers at current levels, Humana's gross margins may decline.
- Humana's ability to obtain funds from certain of its licensed subsidiaries is restricted by state insurance regulations.
- Downgrades in Humana's debt ratings, should they occur, may adversely affect its business, results of operations, and financial condition.
- The securities and credit markets may experience volatility and disruption, which may adversely affect Humana's business.

In making forward-looking statements, Humana is not undertaking to address or update them in future filings or communications regarding its business or results. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed herein may or may not occur. There also may be other risks that the company is unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC for further discussion both of the risks it faces and its historical performance:

- Form 10-K for the year ended December 31, 2014;
- Form 8-Ks filed during 2015.

About Select Medical Holdings Corporation

Select Medical Corporation is a leading operator of specialty hospitals and outpatient rehabilitation clinics in the United States. As of December 31, 2014, Select Medical Corporation operated 113 long term acute care hospitals and 16 inpatient rehabilitation facilities in 28 states, and 1,023 outpatient rehabilitation clinics in 31 states and the District of Columbia. Select Medical Corporation also provides medical rehabilitation services on a contracted basis to nursing homes, hospitals, assisted living and senior care centers, schools and work sites. As of December 31, 2014, Select Medical Corporation had

operations in 41 states and the District of Columbia. Information about Select Medical Corporation is available at www.selectmedical.com.

About Welsh, Carson, Anderson & Stowe XII, L.P.

Welsh, Carson, Anderson & Stowe XII, L.P. is an equity fund managed by Welsh, Carson, Anderson & Stowe (WCAS). WCAS has a current portfolio of approximately 25 companies and focuses its investment activity in two target industries, information/business services and healthcare. Since its founding in 1979, the Firm has organized 15 limited partnerships with total capital of $20 billion. WCAS's strategy is to partner with outstanding management teams and build value for the Firm's investors through a combination of operational improvements, internal growth initiatives and strategic acquisitions. See www.welshcarson.com to learn more.

About Humana

Humana Inc., headquartered in Louisville, Ky., 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. The company'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 we serve across the country. More information regarding Humana is available to investors via the Investor Relations page of the company's web site at www.humana.com, including copies of:

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