

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

In re UNITEDHEALTH GROUP INCORPORATED)
PSLRA LITIGATION)

Civil File No. 0:06-cv-01691-JMR-FLN

CLASS ACTION

_____))
This Document Relates To:)
ALL ACTIONS.)
_____))

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE PUBLICLY TRADED SECURITIES OF UNITEDHEALTH GROUP INCORPORATED (“UNITEDHEALTH”) BETWEEN JANUARY 20, 2005 AND MAY 17, 2006.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A MEMBER OF THE CLASS YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT FUND DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE POSTMARKED, FAXED, EMAILED OR SUBMITTED ONLINE ON OR BEFORE APRIL 22, 2009.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and Orders of the United States District Court for the District of Minnesota (the “Court”). This Notice is not an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by any party in this consolidated class action, *In re UnitedHealth Group Incorporated PSLRA Litigation*, Civil File No. 0:06-cv-01691 JMR-FLN (the “Litigation”). The purpose of this Notice is to inform you of the settlement of the Litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. The settlement resolves all claims against all Defendants (defined below). This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and the Litigation. The settlement creates a fund in the principal amount of \$925,500,000 in cash (the “Settlement Fund”). If Class Members owning 100% of the number of eligible UnitedHealth shares of common stock, notes or options purchased during the Class Period (defined below) elect to participate in this settlement, the estimated average distribution per share of common stock would be \$1.61 per share before deduction of Court-approved fees and expenses (see the Plan of Allocation below in §VI for a more detailed description of how the Settlement Fund will be allocated to the different types of UnitedHealth publicly traded securities). Historically, actual claim rates are less than 100%, resulting in higher distributions per share.

For all types of UnitedHealth publicly traded securities, your actual recovery from the Settlement Fund will depend on a number of variables, including the number of claimants and the types and amounts of securities they purchased, the type and number of UnitedHealth publicly traded securities you purchased, the expense of administering the claims process and the timing of your purchases and sales, if any (see Plan of Allocation below). The Parties to the Litigation do not agree that the Lead Plaintiff (defined below) would have prevailed on any of the claims asserted in the Litigation, or on the average amount of damages per security that would have been recoverable if Lead Plaintiff was to have prevailed on its claims. Other issues that are the subject of the Litigation on which the parties disagree include: (1) whether any of the statements allegedly made or facts allegedly omitted by the Defendants were false, material or otherwise actionable; (2) whether any of the Defendants acted with the intent to deceive, manipulate, or defraud; (3) the extent to which external factors, such as general market conditions, influenced the trading price of UnitedHealth publicly traded securities at various times during the Class Period (defined below); (4) the extent to which the various matters that Lead Plaintiff alleges were materially false or misleading influenced (if at all) the trading price of UnitedHealth publicly traded securities at various times during the Class Period; (5) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleges were omitted influenced (if at all) the trading price of UnitedHealth publicly traded securities at various times during the Class Period; and (6) the appropriate economic model for determining the amount by which the trading prices of UnitedHealth publicly traded securities were allegedly artificially inflated (if at all) at any time during the Class Period.

Lead Counsel for the Lead Plaintiff believes that the substantial recovery obtained is the largest possible recovery and is in the best interest of the Class (defined below). Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that the Lead Plaintiff would not have prevailed on any of its claims, in which case the Class would have received nothing. Indeed, the Defendants assert that they never made any false or misleading statements or omissions at any time and that they did not act with the intent to deceive, manipulate, or defraud. In addition, the amount of damages recoverable by the Class, if any, was and continues to be vigorously challenged by the

Defendants. If the Litigation were tried, recoverable damages, if any, would have been limited to losses caused by conduct actionable under the laws and, had the Litigation gone to trial, the Defendants intended to assert that all or most of the losses of the members of the Class were caused by non-actionable market, industry or general economic factors. The Defendants also would have asserted that throughout the Class Period information concerning UnitedHealth's stock option practices was fully and adequately disclosed.

Lead Counsel have not received any payment for their services in conducting the Litigation on behalf of the members of the Class, nor have they been paid their expenses incurred in conducting the Litigation. The California Public Employees' Retirement System ("CalPERS"), the Court-appointed Lead Plaintiff in the Consolidated Action, has negotiated a fee and expense agreement with Lead Counsel that provides for attorneys' fees and expenses of 11% to 13% of the recoveries obtained for the Class, depending on the amounts recovered. At the Settlement Hearing, Lead Counsel will make an application for fees and expenses that complies with this agreement. The amount of attorneys' fees and expenses ultimately paid to Lead Counsel is subject to the approval of the Court. If approved, the requested combined fees and expenses will amount to approximately 11.92% of the Settlement Fund. Any sum that is awarded by the Court will be paid from the Settlement Fund. If the amount requested is approved by the Court, the average cost per share of UnitedHealth common stock will be approximately \$0.20. In addition, the Court-appointed Lead Plaintiff may seek up to \$75,000.00 in payment for its time and expenses incurred in representing the Class.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Litigation. If you have any questions concerning the matters raised in this Notice, you may address them in writing to: Michael J. Dowd, Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, California 92101. Email: MikeD@csgr.com. You may also call a representative of plaintiffs' counsel, Rick Nelson, toll free at 1 800 449 4900. Email: djr@csgr.com. Please do not contact the Court or UnitedHealth.

NOTICE OF SETTLEMENT HEARING ON PROPOSED SETTLEMENT

A settlement hearing will be held on March 16, 2009, at 10:00 a.m., before the Honorable James M. Rosenbaum, United States District Judge, District of Minnesota, Courtroom 14E of the United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota ("Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of \$925,500,000 in cash (plus any accrued interest), together with Dr. William W. McGuire's agreement to surrender voluntarily all rights in certain stock options granted to him by UnitedHealth, and certain corporate governance changes by UnitedHealth, should be approved as fair, reasonable and adequate to members of the Class; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation," defined below) is fair, reasonable, and adequate; (3) whether the application by Lead Counsel for an award of attorneys' fees and payment of expenses and the Lead Plaintiff's and class representative's request for payment of their expenses (including lost wages) should be approved; and (4) whether the Litigation should be dismissed with prejudice and the Released Persons (defined below) released from all Released Claims (defined below) against it. The Court may adjourn or continue the Settlement Hearing or modify any dates set forth herein without further notice to the Class.

I. DEFINITIONS USED IN THIS NOTICE

1. "Authorized Claimant" means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation of Settlement dated as of November 12, 2008 ("Stipulation").

2. "Claims Administrator" means the firm of Gilardi & Co. LLC, an independent claims administrator selected by Lead Counsel and appointed by the Court.

3. "Class" means all persons who purchased or otherwise acquired the publicly traded securities of UnitedHealth between January 20, 2005 and May 17, 2006, including those Class Period purchasers who also held UnitedHealth stock during the 2002, 2003, 2004, 2005 and 2006 UnitedHealth proxy solicitations, and those who acquired UnitedHealth stock in or traceable to the December 20, 2005 merger with PacifiCare Health Systems, Inc. ("PacifiCare"). Excluded from the Class are all Defendants, the present and former officers and directors of UnitedHealth, their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have a controlling interest. Also excluded from the Class are those Persons who request exclusion from the Class in such form and manner, and within such time, as the Court shall prescribe.

4. "Class Member" or "Member of the Class" means a Person who falls within the definition of the Class, and "Class Members" means all such Persons.

5. "Defendants" means UnitedHealth and the Individual Defendants.

6. "Final" means: (i) if no appeal is timely filed, the expiration date of the time for the filing or noticing of an appeal from the Judgment; or (ii) if an appeal is timely filed, (a) the later of the date of final affirmance on an appeal of the Judgment, the expiration of the time for a petition for a writ of certiorari to review the affirmance, a denial of certiorari that has been timely sought or, if certiorari is granted, the date of final affirmance of the Judgment following review pursuant to

that grant; or (b) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on certiorari to review the Judgment.

7. "Individual Defendants" means Dr. William W. McGuire, David J. Lubben, Stephen J. Hemsley, Patrick J. Erlandson, Robert J. Sheehy, William A. Munsell, Tracy L. Bahl, Lois E. Quam, James A. Johnson, Thomas H. Kean, Mary O. Mundinger, William C. Ballard, Douglas W. Leatherdale, William G. Spears, Gail R. Wilensky, Richard T. Burke, Donna E. Shalala, and Robert L. Ryan.

8. "Judgment" means the judgment to be rendered by the Court, substantially in the form attached as Exhibit B to the Stipulation.

9. "Lead Counsel" means Coughlin Stoia Geller Rudman & Robbins LLP, 655 W. Broadway, Suite 1900, San Diego, CA 92101-3301, or any successor thereof.

10. "Lead Plaintiff" means California Public Employees' Retirement System ("CalPERS").

11. "Net Settlement Fund" means the Settlement Fund less (i) any Taxes and Tax Expenses, (ii) the amount allocated to Lead Counsel for attorneys' fees and expenses pursuant to any Fee and Expense Application approved by the Court pursuant to ¶¶ 7.1 and 7.2 of the Stipulation, (iii) the amount allocated to Lead Plaintiff's expenses (including lost wages) incurred in representing the Class if and to the extent allowed by the Court, and (iv) the amount allocated to the Class Notice and Administration Fund pursuant to ¶ 2.8 of the Stipulation.

12. "Parties" means, collectively, each of the Defendants and the Lead Plaintiff on behalf of itself and the Class Members.

13. "Person" means an individual, corporation, partnership, limited partnership, limited liability partnership (LLP), limited liability corporation (LLC), association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity, and their spouses, heirs, predecessors, successors, representatives, or assignees.

14. "Plaintiffs" means CalPERS, Alaska Plumbing and Pipefitting Industry Pension Trust ("Alaska Plumbing") and Class Members.

15. "Plan of Allocation" means a plan or formula of allocation of the Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation and the Defendants and Released Persons shall have no liability with respect thereto.

16. "Released Claims" means any and all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever (including, but not limited to, all claims for damages, interest, attorneys' fees and expert consulting fees and all other costs, expenses and liabilities whatsoever), whether based at law or in equity, on federal, state, local, foreign, statutory or common law or on any other law, rule, or regulation (including, but not limited to, all claims arising out of or relating to any acts, omissions, disclosures, public filings, registration statements, financial statements, audit opinions, or statements by the Defendants, including without limitation, claims for negligence, gross negligence, constructive or actual fraud, negligent misrepresentation, conspiracy, or breach of fiduciary duty), whether known or unknown, concealed or hidden, accrued or not accrued, foreseen or unforeseen, matured or not matured, that were asserted or that could have been asserted directly, indirectly, representatively or in any other capacity, at any time, in any forum by Plaintiffs against the Released Persons arising out of, based upon, or related in any way to: (a) the purchase, acquisition, sale, or disposition of any publicly traded securities of UnitedHealth by any Plaintiff during the Class Period, the allegations that were made or could have been made in the Litigation and any of the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act which were or that could have been asserted by Plaintiffs in the Litigation; or (b) the settlement or resolution of the Litigation (including, without limitation, any claim for attorneys' fees by Lead Plaintiff or any Class Member). Released Claims shall also include any Unknown Claims. Released Claims do not include any claims in the action styled *In re UnitedHealth Group Inc. Shareholder Derivative Litig.*, Master File No. 06-1216 JMR-FLN (D. Minn.), *In re UnitedHealth Group Inc. Derivative Litig.*, File No. 27 CV-06-8085 (Hennepin County) (the "Derivative Actions") or the action styled *Zilhaver v. UnitedHealth Group Inc., et al.*, Civ. No. 0:06-cv-02237 JMR-FLN (D. Minn.) (the "ERISA Action").

17. "Released Persons" means the Defendants, their past or present directors, officers, partners, members, employees, controlling shareholders, present and former attorneys, consultants, accountants or auditors, banks or investment banks, advisors, agents, personal or legal representatives, insurers, reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs, devisees, executors, trustees, administrators, or related or affiliated entities, any partnership in which a Defendant is a general or limited partner, any entity in which a Defendant has a controlling interest, any member of an Individual Defendant's immediate family, or any trust or foundation of which any Defendant is the settlor or which is for the benefit of any Individual Defendant and/or member(s) of his or her family.

Insurers providing director and officer insurance coverage to present and former directors and officers of UnitedHealth are included in the definition of Released Persons.

18. "Settlement Fund" means the principal amount of \$925,500,000 in cash plus all interest earned thereon pursuant to the Stipulation.

19. "Taxes" means federal, state, local and non-U.S. income and other taxes, together with any interest, penalties or additions to tax imposed with respect thereto.

20. "Tax Expenses" means expenses incurred in connection with the implementation of ¶ 2.8 of the Stipulation, including reasonable expenses of tax attorneys and accountants retained by the Escrow Agent.

21. "UnitedHealth" means UnitedHealth Group Incorporated, any and all successors, subsidiaries, and affiliates of UnitedHealth Group Incorporated, as well as any predecessors of UnitedHealth Group Incorporated and their successors, subsidiaries, and affiliates.

22. "Unknown Claims" means any and all claims that any Plaintiff does not know or suspect to exist in his, her, its or their favor at the time of the release of the Released Persons which, if known by him, her, it, or them might have affected his, her, its or their settlement with and release of the Released Persons, or might have affected his, her, its, or their decision not to object to this settlement. With respect to any and all Released Claims, the Parties stipulate and agree that Plaintiffs shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights and benefits of California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs expressly waive any and all provisions, rights and benefits conferred by any law, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. Any Plaintiff may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Released Claims, but the Plaintiffs shall have fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs acknowledge that the foregoing waiver was separately bargained for and a material element of the settlement.

II. THE LITIGATION

On July 7, 2006, CalPERS initiated an action against the Defendants in the United States District Court, District of Minnesota, by complaint styled as *California Public Employees' Retirement System, et al. v. UnitedHealth Group Inc., et al.*, and docketed as Index Number Civ. No. 06 CV 2939 (the "Action"), alleging various violations of the federal securities laws. A number of similar class action complaints were filed in the United States District Court for the District of Minnesota beginning in May 2006.

On August 11, 2006, this Court consolidated the Action with related proceedings pursuant to Rule 42 of the Federal Rules of Civil Procedure as *In re UnitedHealth Group Incorporated PSLRA Litigation*, Civil File No. 06-1691 JMR-FLN (the "Consolidated Action").

On October 31, 2006, this Court appointed CalPERS Lead Plaintiff in the Consolidated Action and Lerach Coughlin Stoia Geller Rudman & Robbins LLP Lead Counsel for the Lead Plaintiff. On December 8, 2006, Plaintiffs filed a consolidated complaint in the Consolidated Action (the "Consolidated Complaint") against the Defendants, which included claims for violations of Sections 11 and 15 of the Securities Act of 1933 and Section 10(b), Rule 10b-5, and Sections 14(a) and 20 of the Securities Exchange Act of 1934. The named defendants in the Consolidated Complaint were UnitedHealth Group Incorporated, Dr. William W. McGuire, David J. Lubben, Stephen J. Hemsley, Patrick J. Erlandson, Robert J. Sheehy, William A. Munsell, Tracy L. Bahl, Lois E. Quam, James A. Johnson, Thomas H. Kean, Mary O. Munding, William C. Ballard, Douglas W. Leatherdale, William G. Spears, Gail R. Wilensky, Richard T. Burke, Donna E. Shalala, and Robert L. Ryan. Lead Plaintiff sought to recover money and/or other relief on behalf of itself and a putative class.

On June 4, 2007, the Court denied Defendants' motions to dismiss. Thereafter, Defendants filed answers denying all material allegations in the Consolidated Complaint and asserting various defenses thereto.

On September 7, 2007, the Court entered a Stipulated Confidentiality Agreement concerning discovery materials (the "Confidentiality Order"). On March 18, 2008, the Court granted CalPERS' motion for class certification and certified the Class and appointed CalPERS and Alaska Plumbing as class representatives and Coughlin Stoia Geller Rudman & Robbins LLP as class counsel.

During the pendency of the Litigation, Lead Plaintiff and Defendants engaged in extensive discovery. For example, UnitedHealth and third parties have produced more than twenty-seven million pages of documents, and Lead Plaintiff and Defendants have conducted sixty-eight depositions. Those depositions began in early 2008.

Complete copies of the pleadings, orders and other documents filed in this Litigation may be examined and copied at any time during regular office hours at the office of the Clerk of the Court, United States District Court for the District of Minnesota, 300 South Forth Street, Minneapolis, Minnesota 55415, under Case No. 06-cv-01691 JMR-FLN. These documents may also be accessed on the Internet at Lead Counsel's case website, www.unitedhealthsecuritiesclassaction.com.

III. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT

The Lead Plaintiff believes that the claims asserted in the Litigation have merit and believes that the evidence developed to date, which consists of information developed by Lead Counsel during their review of approximately twenty-seven million pages of documents produced by Defendants and more than sixty third parties, by taking or defending sixty-eight depositions and by preparing the case for trial, supports the claims. However, the Lead Plaintiff and Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and appeals. The Lead Plaintiff and Lead Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. The Lead Plaintiff and Lead Counsel are also mindful of the inherent problems of proof under and possible defenses to the violations asserted in the Litigation. The Lead Plaintiff and Lead Counsel believe that the settlement set forth in the Stipulation confers substantial benefits upon the Class Members. Based on their evaluation, the Lead Plaintiff and Lead Counsel have determined that the settlement set forth in the Stipulation is fair, adequate, and reasonable and in the best interests of the Class.

IV. DEFENDANTS' STATEMENTS AND DENIALS OF WRONGDOING AND LIABILITY

The Defendants deny each and all of the claims and contentions alleged in the Litigation, deny that they engaged in any wrongdoing, deny that they committed any violation of law, and deny that they acted improperly in any way. The Defendants also assert certain defenses. The Defendants expressly have denied and continue to deny all charges of wrongdoing, fault or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Lead Plaintiff or the Class have suffered any damages, and that the Lead Plaintiff or the Class were harmed by any conduct alleged in the Litigation or that could have been alleged therein.

Nonetheless, the Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation, without in any way acknowledging any wrongdoing, fault, liability or damage to Lead Plaintiff or the Class.

V. TERMS OF THE PROPOSED SETTLEMENT

The Settlement Fund consists of \$925,500,000 in cash, plus any accrued interest thereon. A portion of the Settlement Fund will be used for certain administrative expenses, including costs of printing and mailing notice of the settlement, the cost of publishing newspaper notices, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Lead Counsel for attorneys' fees and expenses and to Lead Plaintiff for its expenses (including lost wages) in representing the Class. The balance of the Net Settlement Fund will be distributed according to the Plan of Allocation described below to the Class Members who submit valid and timely Proof of Claim and Release forms.

In addition to the Settlement Fund, defendant Dr. William W. McGuire also agrees to surrender voluntarily all rights in the following stock options granted to him by UnitedHealth no later than ten (10) days after Judgment:

Date	Strike Price	Number of Options
2/12/2003	\$33.62	1,950,000
2/11/2004	\$43.26	1,300,000
2/03/2005	\$58.84	325,000
5/02/2005	\$60.90	100,000

Furthermore, UnitedHealth also has agreed to implement certain corporate governance changes, including (i) creation of an independent lead director position under certain circumstances, (ii) creation of a shareowner nominated director, (iii) enhanced independence standards, (iv) modifications to UnitedHealth's executive compensation policy, (v) changes to the board structure, (vi) modifications to the procedures of shareowner meetings, (vii) creation of a stock retention policy, (viii) creation of a nominating advisory committee. Such corporate governance changes are described in detail in Exhibits C and D to the Stipulation.

VI. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Allocation described below. For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Counsel have consulted with their damage consultants and the Plan of Allocation reflects an assessment of the damages that they believe could have been recovered as among Class Members had Lead Plaintiffs prevailed at trial. In the unlikely event there are sufficient funds in the Net Settlement Fund to do so, each Authorized Claimant will receive an amount equal to the Authorized Claimant's "Claim," calculated as described below. If, as is more likely, the amount of the Net Settlement Fund is not sufficient to permit payment of the total Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Claim bears to the total of the Claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. A "Claim" will be calculated as follows:

Section 10(b) Claims for Common Stock

1. For shares of UnitedHealth common stock purchased, or acquired, during any of the inflation periods shown below in Table 1, and

(a) sold within the same purchase period, the claim per share is zero;

(b) sold in a subsequent purchase period, the claim per share is the lesser of (i) the purchase price per share less the sales price per share, or (ii) the computed inflation per share at time of purchase less the computed inflation per share at time of sale, or (iii) the purchase price per share less \$46.41;

(c) retained at the end of May 17, 2006, the claim per share is the lesser of (i) the purchase price per share less \$46.41, or (ii) the computed inflation per share at the time of purchase.

TABLE 1

Note: Inflation amounts have been adjusted to reflect the Company's 2-for-1 stock split on May 31, 2005

Period	Purchase/Sale	Percent Inflation Per Share (*)
1	01/20/05-04/16/06	26.75%
2	04/17/06	23.49%
3	04/18/06-05/01/06	18.21%
4	05/02/2006	15.38%
5	05/03/06-05/07/06	11.48%
6	05/08/2006	8.65%
7	05/09/06-05/10/06	5.71%
8	05/11/06-05/17/06	3.00%

* The inflation per share in dollar terms is computed by multiplying the inflation percentage that corresponds to the transaction dates of Class Period purchases and sales by the actual price per share paid and/or received.

**Section 11 Claim for Shares Issued in Connection with
the Company's Acquisition of PacifiCare**

1. For UnitedHealth shares issued in connection with acquisition of PacifiCare, and
 - (a) sold prior to 5/6/06, the claim per share is \$63.06 less the sales price per share;
 - (b) retained at the end of, or, sold on or after 5/5/06, the claim per share is the lesser of (i) \$63.06 less the sales price per share or, (ii) \$63.06 less \$46.39.

UnitedHealth Notes

3% Convertible Subordinated Debentures (Originally Issued by PacifiCare)

1. For UnitedHealth 3% Debentures acquired pursuant to PacifiCare's December 2005 merger with UnitedHealth and subsequently converted into UnitedHealth common stock prior to May 6, 2006, and
 - (a) sold prior to 5/6/06, the claim per acquired share is the acquisition price less the sales price;
 - (b) retained at the end of, or, sold on or after 5/5/06, the claim per acquired share is the lesser of (i) the acquisition price less the sales price per share or, (ii) \$63.06 less \$46.39.

Note: For purposes of calculating a claim for UnitedHealth common stock acquired through conversion, the acquisition price shall be equal to the closing price on the date the shares were acquired.

2. For UnitedHealth 3% Debentures acquired pursuant to PacifiCare's December 2005 merger with UnitedHealth and held through May 6, 2006, the claim per debenture shall be zero.

5.2% Due 1/17/07 Cusip: 91324PAD4

1. For UnitedHealth 5.2% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$998.40.

3.375% Due 8/15/07 Cusip: 91324PAJ1

1. For UnitedHealth 3.375% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$975.50.

3.3% Due 1/30/08 Cusip: 91324PAF9

1. For UnitedHealth 3.3% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$966.60.

3.75% Due 2/10/09 Cusip: 91324PAG7

1. For UnitedHealth 3.75% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$954.80.

Floating Rate Due 3/09: 91324PAN2

1. For UnitedHealth floating rate Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$999.41.

4.125% Due 8/15/09 Cusip: 91324PAK8

1. For UnitedHealth 4.125% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$957.90.

5.25% Due 3/15/11 Cusip: 91324PAP7

1. For UnitedHealth 5.25% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$982.00.

4.875% Due 4/1/13 Cusip: 91324PAE2

1. For UnitedHealth 4.875% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$947.80.

4.75% Due 2/10/14 Cusip: 91324PAH5

1. For UnitedHealth 4.75% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$928.80.

5.0% Due 8/15/14 Cusip: 91324PAL6

1. For UnitedHealth 5.0% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$940.60.

4.875% Due 3/15/15 Cusip: 91324PAM4

1. For UnitedHealth 4.875% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$921.80.

5.375% Due 3/15/16 Cusip: 91324PAQ5

1. For UnitedHealth 5.375% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$951.80.

5.8% Due 3/15/36 Cusip: 91324PAR3

1. For UnitedHealth 5.8% Notes purchased from January 20, 2005 through May 17, 2006, and
 - (a) sold prior to May 18, 2006, the claim per Note is the purchase price less the sales price;
 - (b) retained at the end of May 17, 2006, the claim per Note shall be the purchase price less \$899.70.

Note: The recovery for the Notes shall not exceed 3% of the Net Settlement Fund.

Call Options

1. For call options on UnitedHealth common stock purchased from January 20, 2005 through May 17, 2006, and
 - (a) **owned** at the end of one of the following dates: 04/16/06, 04/17/06, 05/01/06, 05/02/06, 05/07/06, 05/08/06, 05/10/06, or 05/17/06 the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
 - (b) **not owned** at the end of one of the following dates: 04/16/06, 04/17/06, 05/01/06, 05/02/06, 05/07/06, 05/08/06, 05/10/06, or 05/17/06, the claim per call option is \$0.
2. For call options on UnitedHealth common stock **written from January 20, 2005 through May 17, 2006**, the claim per call option is \$0.

Put Options

1. For put options on UnitedHealth common stock written from January 20, 2005 through May 17, 2006, and

(a) **held** at the end of one of the following dates: 04/16/06, 04/17/06, 05/01/06, 05/02/06, 05/07/06, 05/08/06, 05/10/06, or 05/17/06, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;

(b) **not held** at the end of one of the following dates: 04/16/06, 04/17/06, 05/01/06, 05/02/06, 05/07/06, 05/08/06, 05/10/06, or 05/17/06, the claim per put option is \$0.

2. For put options on UnitedHealth common stock **purchased from January 20, 2005 through May 17, 2006**, the claim per put option is \$0.

Note: In the case the option was exercised for UnitedHealth common stock, the amount paid, or proceeds received, upon the settlement of the option contract equals the intrinsic value of the option using UnitedHealth common stock's closing price on the date the option was exercised.

Note: The combined recovery for the Call Options and Put Options shall not exceed 2% of the Net Settlement Fund. The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

For Class Members who held UnitedHealth securities at the beginning of the Class Period or made multiple purchases or other acquisitions or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in UnitedHealth securities during the Class Period are subtracted from all losses. However, the proceeds from sales of securities which have been matched against securities held at the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00. The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Counsel or the Claims Administrator or Defendants or other Person designated by Lead Counsel or Defendants or Defendants' counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim and Release form shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

VII. PARTICIPATION IN THE CLASS

If you do not request to be excluded from the Class in the manner specified in Section VIII below, you are a Class Member and will be bound by any Judgment entered with respect to the settlement in the Litigation whether or not you submit a Proof of Claim and Release form.

If you are a Class Member, you need do nothing other than timely file a properly completed Proof of Claim and Release form if you wish to participate in the distribution of the Net Settlement Fund. Your interests will be represented by Lead Plaintiff and Lead Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense by filing such appearance with the Clerk of the Court, United States District Court for the District of Minnesota, 300 South Fourth Street, Minneapolis, Minnesota 55415; provided, however, that in order to be heard at the Settlement Hearing or pose an objection to the settlement, you and your counsel must follow the procedures set forth in Section XII below. Class Members may both pose an objection to the settlement and also submit a Proof of Claim and Release form to allow them to participate in the distribution of the Net Settlement Fund, if the settlement is approved.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE.

The Proof of Claim and Release form must be sent to the Claims Administrator and postmarked, faxed, emailed or submitted online on or before April 22, 2009. Filing instructions for each of these methods is available online at www.unitedhealthgroupsettlement.com. If you submit the Proof of Claim and Release by facsimile, email or online submission, you must retain the confirmation page. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release form, you will be barred from receiving any payments from the Net Settlement Fund, but will

in all other respects be bound by the provisions of the Stipulation and the Judgment. All Class Members whose claims are not approved shall be barred from participating in distributions from the Net Settlement Fund, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment.

VIII. EXCLUSION FROM THE CLASS

You may request to be excluded from the Class. To do so, you must send a written request stating that you wish to be excluded from the Class to:

UnitedHealth Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, California 94975-8003

You may also request to be excluded from the Class by sending a written request by facsimile to (866) 527-5663, email (to optout@unitedhealthgroupsettlement.com), or via the Internet at www.unitedhealthgroupsettlement.com. If you request to be excluded from the Class by facsimile, email or via the Internet, you must retain the facsimile confirmation page, email, or online confirmation page. In order to be valid and effective, the request for exclusion must contain the following information:

- First, list your name, address, and telephone number.
- Second, for each purchase or other acquisition of any UnitedHealth stock, bonds, or options between January 20, 2005 and May 17, 2006, identify (i) the date the stock, bonds, or options were purchased or otherwise acquired; (ii) the number of shares, bonds, or options that were purchased or otherwise acquired; and (iii) the price paid for each share, bond, or option purchased or otherwise acquired.
- Third, for each purchase or other acquisition of any UnitedHealth stock, bonds, or options between January 20, 2005 and May 17, 2006, state whether such stock, bonds or options were sold or otherwise disposed of and, for each such sale or disposition identify (i) the date the stock, bonds, or options were sold or otherwise disposed of; (ii) the number of shares, bonds, or options that were sold or otherwise disposed of; and (iii) the price obtained for each share, bond, or option sold or otherwise disposed of.
- Fourth, separately identify the number of shares of UnitedHealth common stock (if any) acquired as a result of the merger between UnitedHealth and PacifiCare, the record date of which was December 20, 2005.

YOUR EXCLUSION REQUEST MUST BE POSTMARKED, FAXED, EMAILED OR SUBMITTED ON OR BEFORE FEBRUARY 17, 2009, AND, IN ORDER TO BE VALID, MUST CONTAIN ALL OF THE FOREGOING INFORMATION. IF YOU SUBMIT A VALID, TIMELY AND COMPLETE REQUEST FOR EXCLUSION, YOU SHALL HAVE NO RIGHTS UNDER THE SETTLEMENT, SHALL NOT SHARE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, AND SHALL NOT BE BOUND BY THE STIPULATION OR THE FINAL JUDGMENT. IF YOUR EXCLUSION REQUEST FAILS TO CONTAIN ALL THE FOREGOING INFORMATION, IT WILL BE INVALID AND YOU WILL BE BOUND BY THE TERMS AND CONDITIONS OF THE STIPULATION AND JUDGMENT.

IX. DISMISSAL AND RELEASES

If the settlement is approved, the Court will enter a Judgment in the Litigation. The Judgment will dismiss the Released Claims with prejudice as to all Defendants. The Judgment will also provide that Lead Plaintiff and each of the Class Members, on behalf of themselves, their affiliates, predecessors, successors, assigns, agents, employees, heirs, executors, administrators and all other persons or entities controlled by, or under common control with, who have not validly and timely requested to be excluded from the Class shall be deemed to have: (i) fully, finally, and forever released, relinquished and discharged all Released Claims (including Unknown Claims) (to the extent members of the Class have such claims) against all the Released Persons, whether or not such Class Member executes and delivers the Proof of Claim and Release, (ii) covenanted not to sue any of the Released Persons or otherwise to assert, directly or indirectly, any of the Released Claims against any of the Released Persons, and (iii) agreed to be forever barred and enjoined from doing so, in any court of law or equity, or in any other forum.

X. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, Lead Counsel will request the Court to award combined attorneys' fees and expenses not to exceed 11.92% of the Settlement Fund. In addition, the Court-appointed Lead Plaintiff may seek up to \$75,000.00 for its time and expenses incurred in representing the Class. This compensation will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. To date, Lead Counsel have not received any payment for their services in conducting the Litigation nor have counsel been paid for their expenses incurred. The fees and expenses requested by Plaintiffs' counsel will compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class, and for their risk in undertaking this representation on a wholly contingent basis. Lead

Counsel represent that the fee requested is well within the range of fees awarded to plaintiffs' counsel under similar circumstances in other litigation of this type.

XI. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions in the Litigation prior to the settlement.

XII. THE RIGHT TO BE HEARD AT THE SETTLEMENT HEARING

Any Class Member who has not validly, timely, and completely requested to be excluded from the Class, and who objects to any aspect of the settlement, the Plan of Allocation, Lead Counsel's application for attorneys' fees and expenses, or the Lead Plaintiff's and/or representative plaintiff's request for expenses may appear (physically or telephonically) and be heard at the Settlement Hearing. Any such person must file a written notice of objection, together with all supporting documents, filed with the Clerk of the Court on or before February 17, 2009, and served by hand, first class mail, or email on:

CLERK OF THE COURT	– and –	Lead Counsel for Plaintiffs:
DISTRICT OF MINNESOTA		COUGHLIN STOIA GELLER
United States Courthouse		RUDMAN & ROBBINS LLP
300 South Fourth Street		MICHAEL J. DOWD
Minneapolis, MN 55415		655 West Broadway, Suite 1900
		San Diego, CA 92101-3301
		MikeD@csgrr.com

Any such written objection must demonstrate the objecting person's membership in the Class, including the number and type of UnitedHealth publicly traded securities purchased and sold during the Class Period, and contain a statement of the reasons for objection. Only Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise. In addition, any Class Member who desires to present evidence at the Settlement Hearing must include in his, her or its written objection the identity of any witnesses he, she or it may call to testify, and any exhibits he, she or it intends to introduce into evidence at the Settlement Hearing. Any Class Member who properly files and serves a notice of objection may participate at the Settlement Hearing telephonically and shall contact Lead Counsel before the Settlement Hearing for the dial-in instructions.

By filing an objection, a Class Member does not affect his, her or its right to participate in the settlement. Class Members are entitled to both file objections and timely submit Proof of Claim and Release forms allowing them to participate in the distribution of the Net Settlement Fund, if the settlement is approved.

XIII. SPECIAL NOTICE TO NOMINEES

If you, as nominee for a beneficial owner, hold or held any UnitedHealth publicly traded securities purchased or acquired during the Class Period, then, within ten (10) days after you receive this Notice, you must either: (1) request additional copies of the Notice and the Proof of Claim form, and, within ten (10) days after the receipt of the additional copies of the Notice and the Proof of Claim form, send them by first class mail to all such beneficial owners and send a statement to the Claims Administrator confirming that the mailings were made as directed; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

UnitedHealth Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, California 94975-8003
Email: Notifications@gilardi.com

ONLY PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED UNITEDHEALTH PUBLICLY TRADED SECURITIES DURING THE PERIOD JANUARY 20, 2005 TO MAY 17, 2006 ARE CLASS MEMBERS.

If you choose to mail or fax the Notice and Proof of Claim and Release yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred by you in connection with forwarding the Notice and Proof of Claim and Release form and which would not

have been incurred but for the obligation to forward the Notice and Proof of Claim and Release form, upon submission of appropriate documentation to the Claims Administrator.

XIV. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the pleadings, the Stipulation, its exhibits, and copies of this Notice and the Proof of Claim and Release filed with the Court on the Internet at www.unitedhealthsecuritiesclassaction.com or at the office of the Clerk of the Court, United States District Court, District of Minnesota, United States Courthouse, 300 South Fourth Street, Minneapolis, MN during normal business hours. Further, you may review the Stipulation, its exhibits, and copies of this Notice and the Proof of Claim and Release filed with the Court online at www.unitedhealthgroupsettlement.com.

If you have any questions about the settlement of the Litigation, you may contact Lead Counsel by writing:

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
Michael J. Dowd
655 West Broadway, Suite 1900
San Diego, CA 92101-3301
MikeD@csgrr.com

You may also call a representative of plaintiffs' counsel, Rick Nelson, toll free at 1-800-449-4900.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT OR UNITEDHEALTH REGARDING THIS NOTICE.

DATED: December 22, 2008

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA