



ANTHEM ANNOUNCES DEFINITIVE AGREEMENT TO ACQUIRE CIGNA CORPORATION

- **Combination will create the premier health services company with critical diversification to lead the transformation of health care for consumers by enhancing health care access, quality and affordability**
- **Cigna shareholders receiving consideration of \$103.40 per share in cash and 0.5152 shares of Anthem stock in exchange for each Cigna share, reflecting a value of \$188.00 based on Anthem's unaffected share price as of May 28, 2015**
- **Combination expected to drive adjusted earnings per share accretion approaching 10% in year one, with accretion more than doubling in year two**
- **The combined company will cover approximately 53 million medical members with well positioned commercial, government, consumer, specialty businesses along with a market-leading international franchise**

Indianapolis, Ind. and Bloomfield, Conn. – July 24, 2015 – Anthem, Inc. (NYSE: ANTM) and Cigna Corporation (NYSE: CI) today announced that they have entered into a definitive agreement whereby Anthem will acquire all outstanding shares of Cigna in a cash and stock transaction and Cigna shareholders will receive \$103.40 in cash and 0.5152 Anthem common shares for each Cigna common share. The total per share consideration equates to approximately \$188.00 for each Cigna share based on Anthem's closing share price on May 28, 2015, valuing the transaction at \$54.2 billion on an enterprise basis.

The combined company will be an industry leader with enhanced diversification and capabilities to advance the transformation of health care delivery for consumers. Following the transaction, Anthem will have more than \$115 billion in pro forma annual revenues, based on the most recent 2015 outlooks publicly reported by both companies and will gain meaningful diversification covering approximately 53 million medical members with well positioned commercial, government, consumer, specialty and international franchises. Upon the close of the transaction, Joseph Swedish will serve as Chairman and Chief Executive Officer of the combined company and David Cordani will be President and Chief Operating Officer. In addition, effective upon closing, the Anthem Board of Directors will be expanded to 14 members. David Cordani and four independent directors from Cigna's current Board of Directors will join the nine current members of the Anthem Board of Directors.

The agreement provides an "unaffected" premium to Cigna's shareholders of approximately 38.4%, based on the unaffected closing price of Cigna's shares on May 28, 2015. Under the terms of the transaction, the consideration consists of approximately 55% cash and 45% Anthem shares, and the

combined company would reflect a pro forma equity ownership comprised of approximately 67% Anthem shareholders and approximately 33% Cigna shareholders.

“We are very pleased to announce an agreement that will deliver meaningful value to consumers and shareholders through expanded provider collaboration, enhanced affordability and cost of care management capabilities, and superior innovations that deliver a high quality health care experience for consumers. We believe that this transaction will allow us to enhance our competitive position and be better positioned to apply the insights and access of a broad network and dedicated local presence to the health care challenges of the increasingly diverse markets, membership, and communities we serve. The Cigna team has built a set of capabilities that greatly complement our own offerings and the combined company will have a competitive presence across commercial, government, international and specialty segments. These expanded capabilities will enable us to better serve our customers as their health care needs evolve,” said Joseph Swedish, President and Chief Executive Officer of Anthem.

“Our companies share proud histories and an even brighter future. Going forward our new company will deliver an acceleration of innovative and affordable health and protection benefits solutions that help address our health system's challenges and provide supplemental insurance protection, and health care security to consumers, their families, and the communities we share with them. The complementary nature of our businesses will allow us to leverage the deep global health care knowledge, local market talent, and expertise of both organizations to ensure that consumers have access to affordable and personalized solutions across diverse life and health stages and position us for sustained success,” said David M. Cordani, President and Chief Executive Officer of Cigna.

Utilizing Anthem's and Cigna's complementary strengths, the combined company will be able to deliver higher quality health care as America's valued health partner. By combining Anthem's Blue Cross and Blue Shield footprint in 14 states and Medicaid footprint via its Amerigroup brand in 19 states with Cigna's broad portfolio of health and protection services in the U.S. and globally, the combined company will offer a comprehensive range of high quality, high value products and services to the full spectrum of customers – individuals, employers and State and Federal governments.

The transaction is expected to close in the second half of 2016, pending the receipt of customary approvals, including certain state regulatory approvals and expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. In addition, the transaction is subject to customary closing conditions, including the approval of Cigna's shareholders of the merger agreement and Anthem's shareholders of the issuance of shares in the transaction. Anthem is confident in its ability to obtain all necessary regulatory and other approvals.

The combined company expects to achieve adjusted earnings per share accretion approaching 10% in year one, with the accretion more than doubling by year two following the closing of the transaction. We are confident in our ability to achieve synergy targets and are committed to retaining investment grade debt ratings. Anthem expects its debt-to-capital ratio to be approximately 49% at the time of close, with a plan to bring the ratio down to the low 40% range within 24 months. Anthem has received committed financing from Bank of America, Credit Suisse and UBS Investment Bank in connection with the transaction.

Anthem and Cigna management will host a conference call to discuss the transaction at 8:30 AM EDT today, July 24, 2015. Additional materials regarding the transaction are available on our website at www.betterhealthcaretogether.com/.