
IN RE AETNA INC. SECURITIES LITIGATION

THIS DOCUMENT RELATES TO: ALL ACTIONS

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: Master File No. 01-CV-9796 (THK)
: CIVIL ACTION
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**NOTICE OF PENDENCY OF CLASS ACTION,
HEARING ON PROPOSED SETTLEMENT, MOTION FOR ATTORNEYS' FEES,
AND RIGHT TO SHARE IN SETTLEMENT FUND**

TO: ALL PERSONS OR ENTITIES WHO PURCHASED AETNA INC. ("AETNA") COMMON STOCK ON THE OPEN MARKET DURING THE PERIOD BETWEEN SEPTEMBER 1, 2000 THROUGH DECEMBER 12, 2000 AND DECEMBER 13, 2000 THROUGH APRIL 9, 2001

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IF YOU ARE A CLASS MEMBER (AS DEFINED IN SECTION III, BELOW), YOUR RIGHTS WILL BE AFFECTED BY THESE PROCEEDINGS AND YOU MAY BE ENTITLED TO RECEIVE BENEFITS UNDER A PROPOSED SETTLEMENT.

CLAIM DEADLINE: ALL PROOF OF CLAIM FORMS MUST BE RECEIVED ON OR BEFORE OCTOBER 12, 2005.

EXCLUSION DEADLINE: ALL REQUESTS TO BE EXCLUDED FROM THE CLASS MUST BE RECEIVED ON OR BEFORE AUGUST 4, 2005.

SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE INSTRUCTIONS IN SECTION XIV, BELOW.

I. SUMMARY OF SETTLEMENT AND RELATED MATTERS

A. Purpose of this Notice

1. This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure, and an Order of the Court entered April 20, 2005. The purpose of this Notice is to inform you that this Action, and the proposed Settlement, will affect all Class Members' rights. This Notice describes rights you may have under the proposed Settlement and what steps you may take in relation to this Action. This Notice is not an expression of any opinion by the Court as to the merits of any claims or any defenses asserted by any party in this Action, or the fairness or adequacy of the proposed Settlement.

B. Statement of Lead Plaintiffs' Recovery

1. Under the federal securities laws, a claimant's recoverable damages are limited to the losses attributable to the alleged securities law violations. Losses that resulted from factors other than an alleged securities law violation (e.g., losses which resulted from overall stock market declines) are not recoverable from the Settlement Fund.

2. Plaintiffs' Co-Lead Counsel estimate that there were approximately 16.3 million shares of Aetna common stock traded during the Class Period which may have been damaged as a result of the alleged wrongdoing described in Section IV, below. Aetna has agreed to pay \$5,000,000 (the "Settlement Amount") into an interest-bearing account for the benefit of the Class. Plaintiffs' Co-Lead Counsel estimate that the average recovery per allegedly damaged share of Aetna common stock is \$0.31 per share, before deduction of notice and administration expenses and attorneys' fees and expenses as may be awarded by the Court to Plaintiffs' Co-Lead Counsel and the Lead Plaintiffs and not including interest earned on the Settlement Amount. However, depending on the actual number of claims submitted, a Class Member may receive more or less than this average amount. Payments to Class Members will be allocated from the Settlement Fund under the Plan of Allocation described below, or such other Plan of Allocation as may be approved by the Court.

C. Statement of Potential Outcome of Case

1. The parties disagreed on both liability and damages, and do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs ultimately were to prevail on each claim alleged. The issues on which the parties disagree include: whether Aetna made any statement or omission that could be considered materially false or misleading, whether there was any proof that any alleged misstatement or omission by Aetna was made with the requisite fraudulent intent, the amount (if any) by which Aetna shares were allegedly artificially inflated during the Class Period; the effect of various market forces influencing the trading price of Aetna shares during the Class Period; the extent to which external factors, such as general market and industry conditions, influenced the trading price of Aetna shares during the Class Period; the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading influenced the trading price of Aetna shares during the Class Period; the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced the trading price of Aetna shares during the Class Period; whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws and whether any defendant is liable in any respect based on any of the allegations of the complaint.

2. Plaintiffs' Co-Lead Counsel considered that there was a substantial risk that Lead Plaintiffs and the Class might not have prevailed on any or all of their claims, and that there were risks that the decline in the price of Aetna shares could be attributed, in

whole or in part, to other factors at various times during the Class Period. Therefore, Lead Plaintiffs could have recovered nothing or substantially less than the amount of the Settlement.

3. Aetna has denied and continues to deny each and all of the claims and contentions alleged in this Action. Aetna has expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in this Action. Aetna further denies and continues to deny, inter alia, the allegations that Aetna made any material misstatement or omission, that Aetna acted with fraudulent intent, that the Lead Plaintiffs or Class Members have suffered damage, that the price of Aetna securities was artificially inflated (by reason of any conduct by Aetna or otherwise), or that any person or entity was harmed by the conduct alleged in this Action. Aetna believes that it had meritorious defenses to the allegations set forth in this Action. Nevertheless, Aetna has concluded that further litigation would be protracted and expensive, and has further taken into consideration the uncertainty and risks inherent in any litigation, particularly in complex cases of this kind. Aetna has therefore concluded that it is desirable that this litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

D. Statement of Attorneys' Fees and Costs Sought

1. Plaintiffs' Co-Lead Counsel intend to apply for an award of attorneys' fees out of the Settlement Fund of up to twenty-five percent (25%) of the Settlement Amount, and for reimbursement of expenses incurred in prosecuting this Action in the approximate amount of \$220,000. The requested fees and expenses would amount to an average of \$0.09 per allegedly damaged share in total for fees and expenses. Plaintiffs' Co-Lead Counsel have expended considerable time and effort in prosecuting this litigation. Plaintiffs' Co-Lead Counsel have litigated this case on a contingent fee basis, meaning that they have advanced all of the costs and expenses of the Action with the expectation that, if they were successful in obtaining a recovery for the Class, they would be paid from that recovery. It is common in this type of litigation for counsel to receive a percentage of the common fund recovery as their attorneys' fees. However, the Court may also base its award of attorneys' fees on the hours expended in this litigation multiplied by the hourly rate of the attorneys who worked on the case. The Court has not indicated which method it will apply in this case.

E. Reasons Supporting Lead Plaintiffs' Participation in the Settlement

1. The principal reason for the Settlement in the Lead Plaintiffs' view is the certain benefit to be provided to the Class now. This certain benefit must be compared to the risk that even after a contested trial and likely appeals, possibly years into the future no recovery would be achieved. Defense Counsel were prepared to introduce evidence that amongst other things, would purportedly rebut the allegations made against Aetna in the Action, including introducing evidence that would rebut the allegations that Aetna made any material misstatements or omissions or acted with the required fraudulent intent, and that would demonstrate that the trading in Aetna's stock price during much of the Class Period was not based on the statements made by Aetna but rather on general industry and market forces. Although Lead Plaintiffs were prepared to counter this evidence, it is uncertain which side a jury would have believed, or what amount of damage, if any, a jury would have awarded.

F. Further Information

1. Further information regarding this Action and Notice may be obtained from Plaintiffs' Co-Lead Counsel: Deborah R. Gross, Esquire, Law Offices Bernard M. Gross, P.C., Suite 450, The Wanamaker Building, Juniper and Market Streets, 100 Penn Square East, Philadelphia, Pennsylvania 19107; Salvatore J. Graziano, Esquire, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165; Jeffrey M. Haber, Esquire, Bernstein Liebhard & Lifshitz, 10 East 40th Street, New York, New York 10016.

II. NOTICE OF SETTLEMENT FAIRNESS HEARING

1. NOTICE IS HEREBY GIVEN, pursuant to an Order of the United States District Court for the Southern District of New York (the "Court") that a hearing will be held before the Honorable Theodore Katz in the United States Courthouse, 500 Pearl Street, New York, New York, at 2:00 p.m., on September 12, 2005 (the "Settlement Fairness Hearing") to determine whether the proposed Settlement of the above-captioned action (the "Action") as set forth in the Stipulation and Agreement of Settlement dated February 9, 2005 (the "Stipulation"), is fair, reasonable and adequate, and also to consider the proposed Plan of Allocation for the Settlement proceeds and the application of Plaintiffs' Co-Lead Counsel for attorneys' fees and reimbursement of expenses out of the Settlement Fund.

III. CLASS DEFINITION

1. By Order of the Court, this Action was preliminarily certified as a class action on behalf of a Plaintiff Class consisting of: "all persons or entities who purchased the common stock of the former Aetna (a Connecticut corporation) between September 1, 2000 and December 12, 2000 or the common stock of the new Aetna (a Pennsylvania corporation) between December 13, 2000 and April 9, 2001, and who were damaged thereby."

2. Excluded from the Class are Aetna, the officers and directors of Aetna, and its subsidiaries and affiliates, members of the immediate family of any excluded person, and the legal representatives, heirs, successors or assigns of any such person and any entity in which Aetna has or had a controlling interest. Also excluded from the Class are any putative Class Members who exclude themselves by timely submitting a request for exclusion in accordance with the requirements set forth in Section VIII, below.

IV. BACKGROUND OF THE LITIGATION

1. Aetna is currently a Pennsylvania corporation that is a provider of healthcare benefits to the healthcare industry. The Company markets its services throughout the United States.

Lead Plaintiffs' Allegations

1. Lead Plaintiffs allege that on July 20, 2000, Aetna announced it had reached a definitive agreement to sell its financial services and international businesses to ING Group N.V. ("ING") and, in an integrated transaction, planned to spin-off its domestic healthcare and large case pensions businesses in the form of New Aetna to its shareholders. This transaction was approved by the shareholders at the November 30, 2000 shareholders' meeting and closed on December 13, 2000. The spin-off and merger occurred simultaneously with each Aetna shareholder receiving approximately \$35 in cash in the merger and one share of New Aetna common stock in the spin-off for each share of former Aetna common stock held on the record date of December 13, 2000.

2. On or about December 1, 2000, Aetna filed with the SEC Amendment No. 2 to the Registration of Securities (the "Registration Statement") for the Company's sale of its financial services and international businesses to ING and the spin-off of its domestic healthcare and large case pensions businesses to its shareholders.

3. In the Registration Statement, Aetna emphasized the comprehensive review of its healthcare business which had been undertaken resulting in implementation of a number of strategic and operational initiatives including addressing rising medical costs and improving the efficiency of operations. Subsequently, on December 18, 2000, Aetna announced a series of actions taken to improve profitability and competitiveness. Also on December 18, 2000, senior management participated in a conference call during which Aetna's Strategic Plan was discussed, as was the achievement of Medical Cost Ratio improvements. Effective medical cost management, efficiency of claim and member services and the return of value to shareholders was again touted in Aetna's fourth quarter 2000 earnings press release and conference call on January 30, 2001.

4. During the Class Period, Aetna misled the investing public by falsely representing, among other things, that the New Aetna was implementing a number of strategic and operative initiatives which addressed, among other things, rising medical costs and improved the efficiency of the operations pursuant to a comprehensive review of its healthcare business model. In truth and in fact, the Company was experiencing escalating medical costs for which it was not adequately reserving due to: (a) significant problems in its overpayment of claims or paying single claims multiple times; (b) inadequate pricing for risk enrollment; (c) adverse selection; (d) provider reimbursement rates, contracting issues; and (e) increased short term utilization.

5. On April 10, 2001, Aetna announced that its first quarter 2001 results were expected to be significantly lower than anticipated as a result of increased medical costs due to higher utilization of healthcare services in the fourth quarter of 2000 and first quarter of 2001 and an increase in medical expense reserves to be made in the first quarter of approximately \$90 million before taxes related to medical services performed in prior periods, primarily the fourth quarter of 2000. As a result of this announcement, the price of Aetna's common stock plunged from \$36.15 per share on April 9, 2001 to a low of \$28.75 per share on April 10, 2001, a decrease of over 20% on heavy trading volume.

B. Procedural History

1. This litigation, having commenced in November, 2001, was consolidated into a single case in April, 2002. Lead Plaintiffs filed a Consolidated and Amended Class Action Complaint ("the Complaint") on June 7, 2000.

2. On July 22, 2002, Aetna filed a motion asking the Court to dismiss Lead Plaintiffs' claims. Lead Plaintiffs filed their opposition on September 5, 2002. This motion was fully briefed and oral argument occurred.

3. The motion was still pending at the time of reaching this Settlement.

V. BACKGROUND OF THE SETTLEMENT

1. Prior to entering into the Stipulation, Plaintiffs' Co-Lead Counsel conducted a thorough investigation relating to the events and transactions underlying Lead Plaintiffs' claims.

2. Plaintiffs' Co-Lead Counsel's decision to enter into this Settlement, which has been approved by the Lead Plaintiffs, was made with knowledge of the facts, circumstances, strengths and weaknesses of Lead Plaintiffs' claims and Defendant's defenses and took into account the substantial expense and length of time necessary to prosecute the Action through trial, post-trial motions, and likely appeals as well as the significant uncertainties in predicting the outcome of this complex litigation.

3. Plaintiffs' Co-Lead Counsel believe that the Settlement described herein confers very substantial benefits upon the Class. Based upon their consideration of all of these factors, Lead Plaintiffs and Plaintiffs' Co-Lead Counsel have concluded that it is in the best interest of Lead Plaintiffs and the Class to settle the Action on the terms described herein.

4. Lead Plaintiffs recognized the uncertainty and the risk of the outcome of any litigation, especially complex litigation such as this, and the difficulties and risks inherent in the trial of such an action. Lead Plaintiffs desired to settle the claims of the Class against Aetna on the terms and conditions described herein which provide substantial benefits to the Class. Plaintiffs' Co-Lead Counsel deem such settlement to be fair, reasonable and adequate, and in the best interests of the members of the Class.

5. Aetna has denied and continues to deny each and all of the claims and contentions alleged in this Action. Aetna has expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in this Action. Aetna further has denied and continues to deny, inter alia, the allegations that the Lead Plaintiffs or Class Members have suffered damage, that the price of Aetna securities was artificially inflated (by reason of any conduct by Aetna or otherwise), or that any person or entity was harmed by the conduct alleged in this Action. Aetna further believes that it had meritorious defenses to the allegations set forth in this Action. Nevertheless, Aetna has concluded that further litigation would be protracted and expensive, and have further taken into consideration the uncertainty and risks inherent in any litigation, particularly in complex cases of this kind. Aetna has therefore concluded that it is desirable that this litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

6. The amount of damages, if any, that plaintiffs could prove was also a matter of serious dispute, and the Settlement's use of a Recognized Claim formula for distributing the Settlement proceeds does not constitute a finding, admission or concession that provable damages could be measured by the Recognized Claim formula. No determination has been made by the Court as to liability or the amount, if any, of damages suffered by the Class, nor on the proper measure of any such damages. The determination of damages, like the determination of liability, is a complicated and uncertain process, typically involving conflicting expert opinions. During the course of the Action, Aetna, in addition to denying any liability, disputed that plaintiffs and the Class were damaged by any wrongful conduct on the part of Aetna. The Settlement herein provides an immediate and substantial cash benefit and avoids the risks that liability or damages might not have been proven at trial.

7. The Court has not determined the merits of the Lead Plaintiffs' claims or the defenses thereto. This Notice does not imply that there has been or would be any finding of violation of the law or that recovery could be had in any amount if the Action were not settled.

VI. TERMS OF THE SETTLEMENT

1. A full and complete settlement of the claims that have or could have been asserted in this Action, and subject to the terms and conditions of the Stipulation, Aetna has paid into an escrow account \$5 million (\$5,000,000) (the "cash settlement amount"), which is earning interest for the benefit of the Class.

2. Pursuant to the Settlement, and on the Effective Date, the Class representatives and the Class Members, on behalf of themselves, their heirs, executors, administrators, successors and assigns by operation of the Order and Final Judgment shall be deemed to have fully, finally and forever released, relinquished, abandoned and discharged, and shall forever be enjoined from prosecuting the Released Parties (defined below) with respect to each and every Settled Claim (defined below).

3. "Released Parties" means Aetna and each of its present and former parents, present and former subsidiaries, present and former divisions and affiliates, and each of their respective present or former officers, directors and employees and their present or past heirs, executors, estates, administrators, predecessors, successors, assigns, attorneys, and insurers.

4. "Settled Claims" means any and all claims, rights, demands, causes of action, suits, including Unknown Claims, against the Released Parties by any member of the Class (i) that are or were asserted in this Action by the Lead Plaintiffs or the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted by the Lead Plaintiffs or the Class Members in any forum against any of the Released Parties that arise from, are based upon, or relate to the subject matter of the Action or the factual allegations of the Complaint and that relate to the purchase of shares of the common stock of Old Aetna and/or New Aetna during the Class Period, whether any such claim was or could have been asserted by the Lead Plaintiffs, the Class Members or any of them on their own behalf or on behalf of other Class Members.

5. "Unknown Claims" means (i) any and all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties including, without limitation, claims that if known by him, her or it might have affected his, her or its decision(s) to settle with and release the Released Parties or not to object to the Settlement, and (ii) any and all Settling Defendant's Claims that any Released Party does not know or suspect to exist in his, her, or its favor, including, without limitation, claims that if known by him, her, or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settling Defendant's Claims, the parties stipulate and agree that, upon the Effective Date, the Lead Plaintiffs and the Released Parties shall have expressly, and all Class Members on behalf of themselves, their heirs, executors, administrators, successors, and assigns shall be deemed to have, and by operation of the Order and Final Judgment shall have, waived and relinquished to the fullest extent provided by law the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Also, with respect to any and all Settled Claims, the Lead Plaintiffs and all Class Members on behalf of themselves, their heirs, executors, administrators, successors and assigns shall, and with respect to any and all Settling Defendant's Claims, the Released Parties shall, be deemed to and by operation of the Order and Final Judgment shall, waive any and all provisions, rights, and benefits conferred by the law of any state or territory of the United States or any other jurisdiction, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code §1542. The Lead Plaintiffs, Class Members and Released Parties may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Settled Claims or Settling Defendant's Claims but hereby stipulate and agree that the Lead Plaintiffs, Class Members and Released Parties, and all of their heirs, executors, administrators, successors and assigns, do, and by operation of the Order and Final Judgment shall,

upon the Effective Date, fully, finally and forever settle and release any and all Settled Claims and Settling Defendant's Claims, respectively, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity, including, but not limited to, conduct which is negligent, intentional, with or without malice, or breach of any duty, law, or rule of any jurisdiction, without regard to subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Settling Defendant acknowledge, and Class Members and Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settling Defendant's Claims was separately bargained for and was a key element of the Settlement of which the releases are a part.

6. The Settlement will become effective at such time as an Order and Final Judgment entered by the Court approving the Settlement shall become final and not subject to Appeal (the "Effective Date").

VII. THE RIGHTS OF CLASS MEMBERS

1. If you are a Class Member, you have the following options pursuant to Rule 23(c)(2) of the Federal Rules of Civil Procedure:

(a) If you wish to remain a member of the Class, you may share in the proceeds of the Settlement, provided that you submit an acceptable Proof of Claim by following the instructions in Section X, below. If you submit a proper Proof of Claim form, you WILL be bound by this Settlement and you WILL be entitled to a share of the Settlement Fund. You are not required to retain your own counsel, but may do so at your own expense. If you choose to retain independent counsel, he/she must file an appearance on your behalf by August 4, 2005, and must serve copies of his/her appearance on Plaintiffs' Co-Lead Counsel.

(b) If you do not wish to remain a member of the Class, you may exclude yourself from the Class by following the instructions in Section VIII, below. Persons or entities who exclude themselves from the Class will NOT be bound by this Settlement, but will NOT receive any share of the Settlement Proceeds. If you are a Class Member and you do not properly exclude yourself from the Class, you will be bound by the Settlement and the Order and Final Judgment of the Court, even if you do not submit a Proof of Claim.

(c) If you object to the Settlement, or to Plaintiffs' Co-Lead Counsel's application for fees and expenses, but do not exclude yourself from the Class, you may present your objections under the procedures described in Section XI.4.

VIII. EXCLUSION FROM THE CLASS

1. Each Member of the Class will be bound by all determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless he/she sends a written request for exclusion from the Class by first class mail to:

In re Aetna Inc. Securities Litigation
Exclusions
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6300
Merrick, New York 11566-9000

2. All requests to be excluded from the Class must be postmarked on or before August 4, 2005. No person or entity may be excluded from the Class after that date.

3. In order to be valid, a request for exclusion must clearly state the name and address of the person or entity seeking exclusion, contain a request to be excluded from the Class in the In re Aetna Inc. Securities Litigation, Master File No. 01-CV-9796 (THK), and bear the signature of the person or entity seeking exclusion, or the signature of his/her authorized representative. Persons and entities requesting exclusion are directed to also provide the following information: their telephone number, the date(s), price(s), and number(s) of shares of all purchases and sales of Aetna common stock during the Class Period. The request for exclusion shall not be effective unless the request for exclusion provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

IX. PLAN OF ALLOCATION

1. In accordance with the Plan of Allocation set forth herein, the Settlement Fund, less all taxes, approved costs, Court-awarded attorneys' fees and expenses (the "Net Settlement Fund"), will be distributed to Class Members who submit timely and valid Proofs of Claim ("Authorized Claimants").

2. Each Authorized Claimant will be allocated a pro rata share of the Net Settlement Fund based on his/her Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. The Recognized Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

3. An Authorized Claimant's Recognized Claim shall mean the amount determined in accordance with the following formula: for all shares purchased on the open market during the Class Period and held until the end of the Class Period, after

adjusting for the \$35.33 per share cash payment received by those who purchased before December 13, 2000 the allowable damage per share shall be the price paid per share at the time of purchase less \$29.80 per share, the closing price per share on April 10, 2001.

4. The date of purchase or sale is the "contract" or "trade" date as distinguished from the settlement date.

5. Multiple dates of purchase and/or sale of shares shall be accounted for on a first in–first out ("FIFO") method. For Class Members who made multiple purchases or multiple sales during the Class Period, the earliest subsequent sale shall be matched first against stock held at the beginning of the Class Period and chronologically thereafter for purposes of the claim calculations. Transactions resulting in gains shall be netted against the losses incurred as calculated above. A Claimant who sold during the Class Period shall have no Recognized Claim with respect to such transactions.

6. Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

7. Checks will be distributed to Authorized Claimants after the Effective Date, after all claims have been processed and after the Court has finally approved the Settlement and Distribution.

8. Checks will be distributed to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution, to Class Members who have cashed their checks and who would receive at least \$10.00 from such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel.

9. The Plan of Allocation was determined by Plaintiffs' Co-Lead Counsel. Aetna takes no position with respect to the Plan of Allocation, how it was calculated, or its effect on the fairness to any authorized claimant other than to deny that Aetna shares were artificially affected or inflated by Aetna's conduct and deny any wrongdoing. Aetna has no responsibility or liability with the Plan of Allocation or the distribution of Settlement Fund to Class Members.

X. CLAIM SUBMISSION AND SETTLEMENT ADMINISTRATION

1. In order to be eligible to receive any distribution from the Settlement Fund, you must send a properly executed Proof of Claim and Release ("Proof of Claim") by first class mail postmarked on or before October 12, 2005, to:

In re Aetna Inc. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6300
Merrick, New York 11566-9000

2. All Proofs of Claim must be submitted by the date specified in this Notice unless such period is extended by Order of the Court. Each Class Member's Proof of Claim must:

(a) Be properly completed, submitted and signed under penalty of perjury;

(b) Be accompanied by adequate supporting documentation for the claimed transactions in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Plaintiffs' Co-Lead Counsel; and

(c) Include a certification of current authority to act on behalf of the Class Member if the person executing the Proof of Claim is acting in a representative capacity.

3. Proofs of Claim that do not meet these requirements may be rejected. Before rejecting a Claim, the Claims Administrator may communicate with the submitting Class Member to remedy curable deficiencies in their Proof of Claim forms. Otherwise, the Claims Administrator will notify in writing all Claimants whose Proofs of Claim they propose to reject, in whole or in part, setting forth the reasons for the proposed rejection. This letter will give rejected Claimants an opportunity, within 20 days after receiving the notice described above, to send the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection, along with all supporting documentation, and a request for further review. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Co-Lead Counsel shall present the request for review to the Court for decision with regard to payment.

4. All proceedings with respect to the administration, processing and determination of claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

5. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his/her claim. Each claim will be subject to investigation and discovery concerning the Claimant's status as a Class Member and the validity and amount of the Claimant's claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members.

6. Any Class Member who does not submit a timely and valid Proof of Claim will not be entitled to receive proceeds from the Net Settlement Fund, but WILL be bound by the terms of the Stipulation and the Settlement, including the covenants and releases barring any action against the Released Persons concerning the Settled Claims unless you filed a timely exclusion.

7. All Class Members whose claims are not approved will not be entitled to receive proceeds from the Net Settlement Fund, but WILL be bound by the terms of the Stipulation and the Settlement, including the covenants and releases barring any action against the Released Persons concerning the Settled Claims.

8. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after:

(a) All Claims have been processed, and all Claimants whose Claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance;

(b) All objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired;

(c) All matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired; and

(d) All costs of administration have been paid.

9. The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

XI. SETTLEMENT FAIRNESS HEARING

1. A Settlement Fairness Hearing is scheduled to be held before the Honorable Magistrate Judge Theodore H. Katz in the United States Courthouse, 500 Pearl Street, New York, New York 10007, at 2:00 p.m., on September 12, 2005. The Settlement Fairness Hearing may be adjourned from time to time by the Court without further written notice to the Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Plaintiffs' Co-Lead Counsel.

2. At the Settlement Fairness Hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate, and should be approved. The Court will also consider any comments and/or objections submitted by Class Members in deciding whether to approve the proposed Settlement and Plan of Allocation for the Settlement proceeds.

3. If the Court approves the Settlement, Aetna and the Released Parties will receive complete release of the "Settled Claims" and any "Unknown Claims" by Lead Plaintiffs and all Class Members against the "Released Parties" in return for the \$5,000,000 Settlement Amount. This fund will be distributed among the Class Members and Class Counsel pursuant to the Order and Final Judgment entered by the Court and the terms of the parties' Stipulation and the Action will be dismissed with prejudice. If the Settlement is approved, the Court will also consider the application of Plaintiffs' Co-Lead Counsel for attorneys' fees and expenses out of the Settlement Fund.

4. Class Members are NOT required to appear at the Settlement Fairness Hearing or take any action to indicate their approval with the Settlement. Class Members who wish to appear at the Settlement Fairness Hearing to oppose the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and expenses must, on or before August 4, 2005:

(a) File an objection with the Clerk of Court, United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, that indicates an intention to appear at the hearing, showing proof of membership in the Class, and providing a statement that indicates the basis for such opposition, along with any documentation in support of such objection, and describes all witnesses or exhibits to be produced, and

(b) Serve their objection, proof, statement and documentation, together with copies of any other papers or briefs such person files with the Court, upon: Deborah R. Gross, Esquire, Law Offices Bernard M. Gross, P.C., Suite 450, The Wanamaker Building, Juniper and Market Streets, 100 Penn Square East, Philadelphia, Pennsylvania 19107; Salvatore J. Graziano, Esquire, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165; Jeffrey M. Haber, Esquire, Bernstein Liebhard & Lifshitz, 10 East 40th Street, New York, New York 10016, Plaintiffs' Co-Lead Counsel; and Michael P. Carroll, Esquire, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017.

5. Counsel for both parties also reserve the right to terminate the Settlement under certain circumstances, including where the Court refuses to approve the Stipulation, declines to enter the Order and Final Judgment, or the Order and Final Judgment is modified or reversed on appeal.

XII. MOTION FOR ATTORNEYS' FEES AND DISBURSEMENTS

1. At the Settlement Fairness Hearing or at such other time as the Court may direct, Plaintiffs' Co-Lead Counsel are moving the Court to award attorneys' fees from the Settlement Fund in an amount not greater than twenty-five percent (25%) of the Gross Settlement Fund and for reimbursement of their expenses in the approximate amount of \$220,000 plus interest on such expenses at the same rate as earned by the Settlement Fund. Plaintiffs' Co-Lead Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Settlement Fairness Hearing. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion of Plaintiffs' Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Action.

XIII. FURTHER INFORMATION

1. For a more detailed statement of the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, during regular business hours.

2. ALL INQUIRIES CONCERNING THIS NOTICE OR THE PROOF OF CLAIM FORM BY CLASS MEMBERS SHOULD BE MADE TO THE CLAIMS ADMINISTRATOR IN WRITING AT THE ADDRESS INDICATED HEREIN AND NOT TO THE COURT.

XIV. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

1. If you purchased the common stock of Aetna between September 1, 2000 and December 12, 2000 and December 13, 2000 and April 9, 2001, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN DAYS OF YOUR RECEIPT OF THIS NOTICE, you either:

(a) Provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock during such time period; or

(b) Request additional copies of this Notice and the Proof of Claim form, which will be provided free of charge and, within seven days of your receipt of these additional copies, mail them directly to the beneficial owners of the securities referred to herein.

2. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed.

3. You are entitled to reimbursement from the Settlement Fund of reasonable expenses actually incurred in connection with the foregoing, including postage expenses and the cost of ascertaining the names and addresses of beneficial owners. These expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at the following address:

In re Aetna Inc. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6300
Merrick, New York 11566-9000
(800) 377-7365

Dated: New York, New York
May 10, 2005

BY ORDER OF THE COURT:
CLERK OF THE COURT