

UNITEDHEALTH GROUP INC  
Form 8-K/A  
February 24, 2006

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 8-K/A

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Current Report Pursuant to  
Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 20, 2005

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## UNITEDHEALTH GROUP INCORPORATED

(Exact name of registrant as specified in its charter)

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Minnesota  
(State or other jurisdiction  
of incorporation)

0-10864  
(Commission File Number)

41-1321939  
(I.R.S. Employer  
Identification No.)

UnitedHealth Group Center, 9900 Bren Road East,

Minnetonka, Minnesota  
(Address of principal executive offices)

55343  
(Zip Code)

Registrant's telephone number, including area code: (952) 936-1300

N/A

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 9.01. Financial Statements and Exhibits**

This Amendment amends the Current Report on Form 8-K dated December 20, 2005 relating to the acquisition of PacifiCare Health Systems, Inc. by UnitedHealth Group Incorporated to include the financial statements required by Item 9.01.

(a) Financial Statements of Businesses Acquired

The following historical financial statements of PacifiCare are included in this report:

Consolidated balance sheet as of December 31, 2004 (incorporated by reference from the Form 10-K for the year ended December 31, 2004 filed by PacifiCare on February 25, 2005)

Consolidated statements of income, stockholders' equity and cash flows for the year ended December 31, 2004 (incorporated by reference from the Form 10-K for the year ended December 31, 2004 filed by PacifiCare on February 25, 2005)

Notes to consolidated financial statements for the year ended December 31, 2004 (incorporated by reference from the Form 10-K for the year ended December 31, 2004, filed by PacifiCare on February 25, 2005)

Consolidated balance sheets as of September 30, 2005 (incorporated by reference from the Form 10-Q for the quarter ended September 30, 2005, filed by PacifiCare on November 2, 2005)

Consolidated income statements for the three months and nine months ended September 30, 2005 and 2004 (incorporated by reference from the Form 10-Q for the quarter ended September 30, 2005, filed by PacifiCare on November 2, 2005)

Consolidated statements of cash flows for the nine months ended September 30, 2005 and 2004 (incorporated by reference from the Form 10-Q for the quarter ended September 30, 2005, filed by PacifiCare on November 2, 2005)

(b) Pro Forma Financial Information

The following unaudited pro forma combined financial statements giving effect to the registrant's acquisition of PacifiCare completed December 20, 2005 are included in this report:

Unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2005

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Unaudited pro forma condensed combined statement of operations for the year ended December 31, 2004

Unaudited pro forma condensed combined balance sheet as of September 30, 2005

Notes to unaudited pro forma condensed combined financial information

(c) Exhibits

15.1 Letter Regarding Unaudited Financial Information of Ernst & Young LLP

23.1 Consent of Ernst & Young LLP

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

On December 20, 2005, UnitedHealth Group acquired PacifiCare Health Systems, Inc. (PacifiCare). Under the terms of the agreement, holders of PacifiCare common stock received 1.1 shares of UnitedHealth Group common stock and \$21.50 in cash for each share of PacifiCare common stock they owned. Total estimated merger consideration for the transaction was approximately \$8.8 billion, comprised of approximately 99.2 million shares of UnitedHealth Group common stock, valued at approximately \$5.3 billion based upon the average of the closing prices of UnitedHealth Group common stock for two trading days before, the day of, and two trading days following the acquisition announcement date of July 6, 2005, approximately \$2.1 billion in cash, \$960 million cash paid to retire PacifiCare's existing debt and UnitedHealth Group vested common stock options with an estimated fair value of approximately \$420 million issued in exchange for PacifiCare's outstanding vested common stock options. The results of operations and financial condition of PacifiCare have been included in the UnitedHealth Group historical financial statements since the December 20, 2005 acquisition date.

On July 29, 2004, UnitedHealth Group acquired Oxford Health Plans, Inc. (Oxford). Under the terms of the merger agreement, Oxford shareholders received 1.2714 shares of UnitedHealth Group common stock and \$16.17 in cash for each share of Oxford common stock they owned. Total consideration issued was approximately \$5.0 billion, comprised of approximately 104.4 million shares of UnitedHealth Group common stock, valued at approximately \$3.4 billion based upon the average of the closing prices of UnitedHealth Group common stock for two trading days before, the day of, and two trading days following the acquisition announcement date of April 26, 2004, approximately \$1.3 billion in cash, and UnitedHealth Group vested common stock options with an estimated fair value of \$240 million issued in exchange for Oxford's outstanding vested common stock options. The results of operations and financial condition of Oxford have been included in the UnitedHealth Group historical financial statements since the July 29, 2004 acquisition date.

On February 10, 2004, UnitedHealth Group acquired Mid Atlantic Medical Services, Inc. (MAMSI). Under the terms of the merger agreement, MAMSI stockholders received 1.64 shares of UnitedHealth Group common stock and \$18 in cash for each share of MAMSI common stock they owned. Total consideration issued was approximately \$2.7 billion, comprised of approximately 72.8 million shares of UnitedHealth Group common stock, valued at approximately \$1.9 billion based upon the average of the closing prices of UnitedHealth Group common stock for two trading days before, the day of, and two trading days following the acquisition announcement date of October 27, 2003, and approximately \$800 million in cash. The results of operations and financial condition of MAMSI have been included in the UnitedHealth Group historical financial statements since the February 10, 2004 acquisition date.

The unaudited pro forma condensed combined financial information gives effect to the acquisitions of PacifiCare, Oxford and MAMSI by UnitedHealth Group as if the acquisitions had occurred as of the beginning of the respective periods for purposes of the pro forma condensed combined statements of operations. The unaudited pro forma condensed combined financial information gives effect to the acquisition of PacifiCare by UnitedHealth Group as if the acquisition had occurred on September 30, 2005 for purposes of the pro forma condensed combined balance sheet as of September 30, 2005.

Under the purchase method of accounting, the total estimated purchase price is allocated to the net tangible and intangible assets of an acquired entity based on their estimated fair values as of the completion of the transaction. A final determination of these fair values will include management's consideration of a valuation prepared by an independent valuation specialist. This valuation will be based on the actual net tangible and intangible assets of the acquired entity that exist as of the closing date of the transaction.

Because this unaudited pro forma condensed combined financial information has been prepared based on preliminary estimates of fair values, the actual amounts recorded as of the completion of the transaction may differ materially from the information presented in this unaudited pro forma condensed combined financial information. In addition to the independent valuation, the impact of any integration activities could cause material differences from the information presented below. Potential synergies which may result from the integration of physician, hospital, and other health care provider networks and operating and administrative activities have been excluded from the pro forma condensed combined financial information.

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The unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of UnitedHealth Group and PacifiCare. The unaudited pro forma condensed combined financial information is not intended to represent or be indicative of the consolidated results of operations or financial condition of UnitedHealth Group that would have been reported had the transactions been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial condition of UnitedHealth Group.

## Pro Forma Condensed Combined Statement of Operations

Nine Months Ended September 30, 2005

(Unaudited)

(In millions, except per share amounts)

	Historical		(y) Reclassification Adjustments	Pro Forma Adjustments	Pro Forma Combined
	(b)(c) UnitedHealth Group	(bb) PacifiCare			
<b>Revenues</b>					
Premiums	\$ 30,178	\$ 10,276	\$	\$	\$ 40,454
Services	2,764	416			3,180
Investment and Other Income	378	95			473
<b>Total Revenues</b>	<b>33,320</b>	<b>10,787</b>			<b>44,107</b>
<b>Medical and Operating Costs</b>					
Medical Costs	24,101	8,814	(216)(aa)		32,699
Operating Costs	4,942	1,391	216(aa)	(24)(q)	6,525
Depreciation and Amortization	333	63		60(d) (16)(e)	440
<b>Total Medical and Operating Costs</b>	<b>29,376</b>	<b>10,268</b>		<b>20</b>	<b>39,664</b>
<b>Earnings From Operations</b>	<b>3,944</b>	<b>519</b>		<b>(20)</b>	<b>4,443</b>
Interest expense	(166)	(55)		55(k) (101)(j)	(267)
<b>Earnings Before Income Taxes</b>	<b>3,778</b>	<b>464</b>		<b>(66)</b>	<b>4,176</b>
Provision for Income Taxes	(1,348)	(168)		23(r)	(1,493)
<b>Net Earnings</b>	<b>\$ 2,430</b>	<b>\$ 296(bb)</b>	<b>\$</b>	<b>\$ (43)</b>	<b>\$ 2,683</b>
<b>Basic Net Earnings Per Common Share</b>	<b>\$ 1.92</b>				<b>\$ 1.97</b>
<b>Diluted Net Earnings Per Common Share</b>	<b>\$ 1.83</b>				<b>\$ 1.87</b>
<b>Basic Weighted-Average Number of Common Shares Outstanding</b>	<b>1,263.0</b>			<b>99.2(s)</b>	<b>1,362.2</b>
<b>Diluted Weighted-Average Number of Common Shares Outstanding</b>	<b>1,327.0</b>			<b>99.2(s)</b>	<b>1,436.1</b>
				<b>4.7(t)</b>	
				<b>5.2(cc)</b>	

**Pro Forma Condensed Combined Statement of Operations**

Year Ended December 31, 2004

(Unaudited)

(In millions, except per share amounts)

	Historical					Pro Forma Adjustments	Pro Forma Combined
	(c)		(b)		(a)		
	(b)(c) UnitedHealth Group	MAMSI January 1 to February 10	Oxford January 1 to July 29	PacifiCare			
<b>Revenues</b>							
Premiums	\$ 33,495	\$ 303	\$ 3,208	\$ 11,761	\$ (19)	\$	\$ 48,748
Services	3,335	8	7	427	2		3,779
Investment and Other Income	388	2	50	89		(5)(n)	524
<b>Total Revenues</b>	<b>37,218</b>	<b>313</b>	<b>3,265</b>	<b>12,277</b>	<b>(17)</b>	<b>(5)</b>	<b>53,051</b>
<b>Medical and Operating Costs</b>							
Medical Costs	27,000	235	2,591	10,174	(236)(aa)		39,764
Operating Costs	5,743	36	322	1,491	219(aa)	(25)(q)	7,786
Depreciation and Amortization	374	1	17	70		80(d)	548
						(20)(e)	
						24(f)	
						2(g)	
<b>Total Medical and Operating Costs</b>	<b>33,117</b>	<b>272</b>	<b>2,930</b>	<b>11,735</b>	<b>(17)</b>	<b>61</b>	<b>48,098</b>
<b>Earnings From Operations</b>	<b>4,101</b>	<b>41</b>	<b>335</b>	<b>542</b>		<b>(66)</b>	<b>4,953</b>
Interest expense	(128)		(10)	(48)		48(k)	(282)
						(120)(j)	
						(31)(m)	
						10(n)	
						(3)(o)	