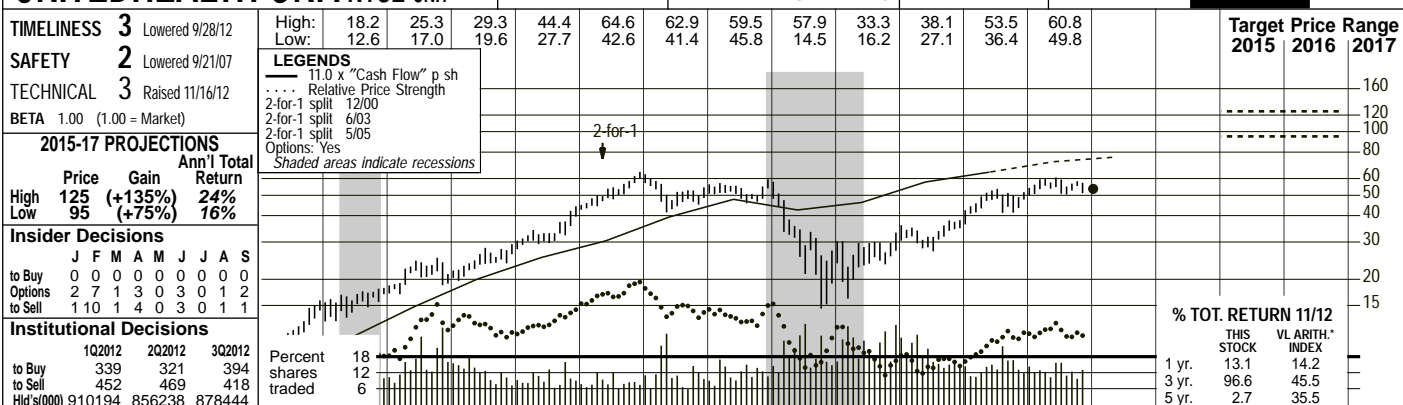


UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **53.54** P/E RATIO **9.9** (Trailing: 10.2 Median: 15.0) RELATIVE P/E RATIO **0.67** DIV'D YLD **1.6%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
6.81	7.71	11.79	14.60	16.65	19.00	20.89	24.72	28.94	33.41	53.19	60.20	67.60	75.97	86.70	95.20	108.50	119.00	Revenues per sh	162.90
.31	.38	.45	.59	.75	.95	1.34	1.82	2.30	2.76	3.59	4.35	3.86	4.20	5.25	5.86	6.55	6.90	"Cash Flow" per sh	9.75
.22	.28	.33	.40	.53	.70	1.06	1.48	1.97	2.48	2.97	3.42	2.95	3.24	4.10	4.73	5.30	5.60	Earnings per sh ^A	8.15
--	--	--	--	--	--	--	--	.02	.03	.03	.03	.03	.03	.41	.61	.80	.85	Div'ds Decl'd per sh ^B	.90
.11	.12	.14	.15	.19	.34	.35	.30	.27	.37	.54	.70	.66	.64	.81	1.00	1.05	1.20	Cap'l Spending per sh	1.60
2.59	2.97	2.74	2.88	2.91	3.15	3.70	4.40	8.33	13.06	15.47	16.01	17.30	20.58	23.78	26.44	30.40	31.80	Book Value per sh ^C	37.10
1478.9	1528.9	1471.4	1339.8	1268.9	1234.5	1197.8	1166.0	1286.0	1358.0	1345.0	1253.0	1201.0	1147.0	1086.0	1070.0	1010.0	1000.0	Common Shs Outst'g ^D	950.00
28.3	22.5	20.2	17.2	19.6	22.5	19.9	16.4	17.1	20.7	17.2	15.3	10.9	8.1	8.0	9.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
1.77	1.30	1.05	.98	1.27	1.15	1.09	.93	.90	1.10	.93	.81	.66	.54	.51	.62			Relative P/E Ratio	.90
--	--	--	--	--	--	--	--	.1%	.1%	.1%	.1%	.1%	.1%	1.2%	1.3%			Avg Ann'l Div'd Yield	.8%

CAPITAL STRUCTURE as of 9/30/12 Total Debt \$12998 mill. Due in 5 Yrs \$4200 mill. LT Debt \$11146 mill. LT Interest \$600 mill. (Total interest coverage: 15.3x) Leases, Uncapitalized Annual rentals \$279.0 mill.	25020	28823	37218	45365	71542	75431	81186	87138	94155	101862	109600	119000	Revenues (\$mill)	154750
	9.8%	11.2%	12.0%	12.8%	10.7%	11.5%	9.0%	8.4%	9.5%	9.4%	9.2%	9.6%	Operating Margin	10.0%
	255.0	299.0	374.0	453.0	670.0	796.0	981.0	991.0	1064.0	1124.0	1250	1300	Depreciation (\$mill)	1515
	1352.0	1825.0	2587.0	3300.0	4159.0	4654.0	3660.0	3822.0	4634.0	5142.0	5355	5600	Net Profit (\$mill)	7745
	35.5%	35.7%	34.9%	35.7%	36.3%	36.3%	35.9%	34.2%	37.2%	35.4%	36.0%	36.5%	Income Tax Rate	37.0%
	5.4%	6.3%	7.0%	7.3%	5.8%	6.2%	4.5%	4.4%	4.9%	5.0%	4.9%	4.7%	Net Profit Margin	5.0%
	d3205	d2648	d3088	d6004	d2453	d2948	d4771	d3963	d5307	d3572	d4300	d4100	Working Cap'l (\$mill)	d3400
	950.0	1750.0	3350.0	3850.0	5973.0	9063.0	11338	9009.0	8662.0	10656	11100	10100	Long-Term Debt (\$mill)	8000
	4428.0	5128.0	10717	17733	20810	20063	20780	23606	25825	28292	30700	31800	Shr. Equity (\$mill)	35250
	25.9%	27.2%	18.8%	15.8%	16.4%	16.9%	12.4%	12.6%	14.1%	13.9%	13.5%	14.0%	Return on Total Cap'l	18.5%
	30.5%	35.6%	24.1%	18.6%	20.0%	23.2%	17.6%	16.2%	17.9%	18.2%	17.5%	17.5%	Return on Shr. Equity	22.0%
	30.3%	35.4%	24.0%	18.5%	19.8%	23.0%	17.4%	16.0%	16.2%	15.9%	15.0%	15.0%	Retained to Com Eq	19.5%
	--	--	1%	1%	1%	1%	1%	1%	10%	13%	15%	15%	All Div'ds to Net Prof	11%

No Defined Benefit Pension Plan Pfd Stock None	25020	28823	37218	45365	71542	75431	81186	87138	94155	101862	109600	119000	Revenues (\$mill)	154750
Common Stock 1,021,492,625 shs.	9.8%	11.2%	12.0%	12.8%	10.7%	11.5%	9.0%	8.4%	9.5%	9.4%	9.2%	9.6%	Operating Margin	10.0%
	255.0	299.0	374.0	453.0	670.0	796.0	981.0	991.0	1064.0	1124.0	1250	1300	Depreciation (\$mill)	1515
	1352.0	1825.0	2587.0	3300.0	4159.0	4654.0	3660.0	3822.0	4634.0	5142.0	5355	5600	Net Profit (\$mill)	7745
	35.5%	35.7%	34.9%	35.7%	36.3%	36.3%	35.9%	34.2%	37.2%	35.4%	36.0%	36.5%	Income Tax Rate	37.0%
	5.4%	6.3%	7.0%	7.3%	5.8%	6.2%	4.5%	4.4%	4.9%	5.0%	4.9%	4.7%	Net Profit Margin	5.0%
	d3205	d2648	d3088	d6004	d2453	d2948	d4771	d3963	d5307	d3572	d4300	d4100	Working Cap'l (\$mill)	d3400
	950.0	1750.0	3350.0	3850.0	5973.0	9063.0	11338	9009.0	8662.0	10656	11100	10100	Long-Term Debt (\$mill)	8000
	4428.0	5128.0	10717	17733	20810	20063	20780	23606	25825	28292	30700	31800	Shr. Equity (\$mill)	35250
	25.9%	27.2%	18.8%	15.8%	16.4%	16.9%	12.4%	12.6%	14.1%	13.9%	13.5%	14.0%	Return on Total Cap'l	18.5%
	30.5%	35.6%	24.1%	18.6%	20.0%	23.2%	17.6%	16.2%	17.9%	18.2%	17.5%	17.5%	Return on Shr. Equity	22.0%
	30.3%	35.4%	24.0%	18.5%	19.8%	23.0%	17.4%	16.0%	16.2%	15.9%	15.0%	15.0%	Retained to Com Eq	19.5%
	--	--	1%	1%	1%	1%	1%	1%	10%	13%	15%	15%	All Div'ds to Net Prof	11%

MARKET CAP: \$55 billion (Large Cap)	25020	28823	37218	45365	71542	75431	81186	87138	94155	101862	109600	119000	Revenues (\$mill)	154750
CURRENT POSITION 2010 2011 9/30/12	9.8%	11.2%	12.0%	12.8%	10.7%	11.5%	9.0%	8.4%	9.5%	9.4%	9.2%	9.6%	Operating Margin	10.0%
Cash Assets 9123 9429 11954	255.0	299.0	374.0	453.0	670.0	796.0	981.0	991.0	1064.0	1124.0	1250	1300	Depreciation (\$mill)	1515
Receivables 2061 2294 2403	1352.0	1825.0	2587.0	3300.0	4159.0	4654.0	3660.0	3822.0	4634.0	5142.0	5355	5600	Net Profit (\$mill)	7745
Other 7209 8627 5974	35.5%	35.7%	34.9%	35.7%	36.3%	36.3%	35.9%	34.2%	37.2%	35.4%	36.0%	36.5%	Income Tax Rate	37.0%
Current Assets 18393 20350 20331	5.4%	6.3%	7.0%	7.3%	5.8%	6.2%	4.5%	4.4%	4.9%	5.0%	4.9%	4.7%	Net Profit Margin	5.0%
Accts Payable 21220 16652 16972	d3205	d2648	d3088	d6004	d2453	d2948	d4771	d3963	d5307	d3572	d4300	d4100	Working Cap'l (\$mill)	d3400
Debt Due 2480 982 1852	950.0	1750.0	3350.0	3850.0	5973.0	9063.0	11338	9009.0	8662.0	10656	11100	10100	Long-Term Debt (\$mill)	8000
Other -- 6288 6029	4428.0	5128.0	10717	17733	20810	20063	20780	23606	25825	28292	30700	31800	Shr. Equity (\$mill)	35250
Current Liab. 23700 23922 24853	25.9%	27.2%	18.8%	15.8%	16.4%	16.9%	12.4%	12.6%	14.1%	13.9%	13.5%	14.0%	Return on Total Cap'l	18.5%
	30.5%	35.6%	24.1%	18.6%	20.0%	23.2%	17.6%	16.2%	17.9%	18.2%	17.5%	17.5%	Return on Shr. Equity	22.0%
	30.3%	35.4%	24.0%	18.5%	19.8%	23.0%	17.4%	16.0%	16.2%	15.9%	15.0%	15.0%	Retained to Com Eq	19.5%
	--	--	1%	1%	1%	1%	1%	1%	10%	13%	15%	15%	All Div'ds to Net Prof	11%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 to '15-'17	25020	28823	37218	45365	71542	75431	81186	87138	94155	101862	109600	119000	Revenues (\$mill)	154750
of change (per sh)	9.8%	11.2%	12.0%	12.8%	10.7%	11.5%	9.0%	8.4%	9.5%	9.4%	9.2%	9.6%	Operating Margin	10.0%
Revenues 18.0%	255.0	299.0	374.0	453.0	670.0	796.0	981.0	991.0	1064.0	1124.0	1250	1300	Depreciation (\$mill)	1515
"Cash Flow" 21.0%	1352.0	1825.0	2587.0	3300.0	4159.0	4654.0	3660.0	3822.0	4634.0	5142.0	5355	5600	Net Profit (\$mill)	7745
Earnings 22.5%	35.5%	35.7%	34.9%	35.7%	36.3%	36.3%	35.9%	34.2%	37.2%	35.4%	36.0%	36.5%	Income Tax Rate	37.0%
Dividends 51.5%	5.4%	6.3%	7.0%	7.3%	5.8%	6.2%	4.5%	4.4%	4.9%	5.0%	4.9%	4.7%	Net Profit Margin	5.0%
Book Value 23.0%	d3205	d2648	d3088	d6004	d2453	d2948	d4771	d3963	d5307	d3572	d4300	d4100	Working Cap'l (\$mill)	d3400
	950.0	1750.0	3350.0	3850.0	5973.0	9063.0	11338	9009.0	8662.0	10656	11100	10100	Long-Term Debt (\$mill)	8000
	4428.0	5128.0	10717	17733	20810	20063	20780	23606	25825	28292	30700	31800	Shr. Equity (\$mill)	35250
	25.9%	27.2%	18.8%	15.8%	16.4%	16.9%	12.4%	12.6%	14.1%	13.9%	13.5%	14.0%	Return on Total Cap'l	18.5%
	30.5%	35.6%	24.1%	18.6%	20.0%	23.2%	17.6%	16.2%	17.9%	18.2%	17.5%	17.5%	Return on Shr. Equity	22.0%
	30.3%	35.4%	24.0%	18.5%	19.8%	23.0%	17.4%	16.0%	16.2%	15.9%	15.0%	15.0%	Retained to Com Eq	19.5%
	--	--	1%	1%	1%	1%	1%	1%	10%	13%	15%	15%	All Div'ds to Net Prof	11%

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.81	.73	.89	.81	3.24
2010	1.03	.99	1.14	.94	4.10
2011	1.22	1.16	1.17	1.18	4.73
2012	1.31	1.27	1.50	1.22	5.30
2013	1.35	1.35	1.55	1.35	5.60
Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
Mar.31	Jun.30	Sep.30	Dec.31		
2008	--	.03	--	--	.03
2009	--	.03	--	--	.03
2010	--	.155	.125	.125	.405
2011	.125	.1625	.1625	.1625	.613
2012	.1625	.2125	.2125		

with the Dow 30.

After its solid September-quarter showing, we are upping our earnings calls for 2012 and next year. That period was marked by strong growth in government segments and improved margins at Optum, the company's information and technology-based health services arm. We look for these positives to carry on into next year. For this year, our bottom-line call is now \$5.30 a share, which represents an annual gain of 12%. Next year, we anticipate earnings can climb to \$5.60 even with the winds of reform blowing in

points, as long as medical cost inflation does not surface. Additional investments in Optum are wise in our view and could bear considerably more fruit in the years ahead. Fleshing out the pharmacy business should be a priority here out to mid-decade. Generic utilization, which boosts profits, should soar over that span.

We like these good-quality shares for those that count patience as a virtue. Year-ahead relative performance may well be pedestrian, but prospects are bright and the dividend is escalating.

Erik M. Manning *December 14, 2012*