

AETNA INC /PA/
Form 425
January 03, 2018

Filed by CVS Health Corporation

Pursuant to Rule 425 under the Securities Act of 1933

And deemed filed pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Aetna Inc.

Commission File No.: 001-16095

Date: January 3, 2018

The following is a transcript of a video clip of an episode of CNBC's Squawk Box television program which aired on December 28, 2017, which was subsequently made available to employees of CVS Health Corporation:

KAYLA TAUSCHE, CNBC, REPORTER:

What sort of odds do you give the CVS-Aetna merger? Because the stock market seems to be skeptical.

BERTHA COOMBS, CNBC, REPORTER:

The stock market does seem to be skeptical, and I think it's such a different kind of deal that regulators have to think about. And normally it would be something that would probably go to the FTC because of CVS being the acquirer, but given the fact that we have those vacancies at the FTC, it could go to the DOJ, which doesn't seem to like these big massive sprawling deals. However, you do have so much consolidation; you also have Ascension and Providence St. Joseph reportedly talking about getting together. That would create a hospital powerhouse; non-profit, Catholic. Nearly 200 hospitals across the country.

So if you suddenly have that much consolidation and we are thinking about new models to keep people healthier it's an interesting deal. The stock market seems to indicate that there's going to be a lot of pushback.

KEVIN O'LEARY:

That deal came right after the rumor that Amazon was going to get their pharma distribution. Do you think it's because of a desire to bulk up? To defend themselves against that kind of thing?

BERTHA COOMBS, CNBC, REPORTER:

Yeah. I think that's part of it, although CVS is already on its own launch to delivery. They do home delivery. In fact, here in Manhattan, they are doing delivery same day. So within a couple of hours you can order your prescription and they'll deliver it to your door, if you're in Manhattan. This is really more about diversifying your portfolio. UnitedHealth has been building up its services in terms of the provider services; they have 30,000 affiliated doctors

through a number of practices that they have acquired. I think this is to compete with that. And to do it in a sense on a less

expensive scale because everyone is looking for sort of better, cheaper, more affordable wellness care and so the idea that you're able to have most people near a CVS within three miles anywhere they can go there, they could get some of their preventive services, so they don't have to go to the doctor, could be a little bit cheaper. And if they're on the Aetna plan, they could also get the kind of monitoring for things like diabetes. That's one of the big things that everyone is trying to tackle; trying to prevent people with Type 2 Diabetes from getting worse, and perhaps maybe getting off of medication and getting healthier. So for chronic disease management, that's what they're looking to do, to be able to have both the insurance and the provider in one shop. And, in this case, also the pharmacy.

ANDREW ROSS SORKIN, CNBC, ANCHOR:

You can show up to CVS to see...not your doctor, but it's going to be interesting.

BERTHA COOMBS, CNBC, REPORTER:

You can do a nurse practitioner. I mean I go to the doctor's office, and half the time it takes so long to see my doctor. If it's something simple, I see the nurse practitioner.

KEVIN O'LEARY:

I'm a CVS customer, and the app used to be terrible. It was crap. And now it really works.

BERTHA COOMBS, CNBC, REPORTER:

They are all doing that: Walgreens, CVS. They really want to engage you digitally. Walgreens will give you points if you've been walking. They connect with your Apple HealthKit, and...

KEVIN O'LEARY:

It's amazing.

BERTHA COOMBS, CNBC, REPORTER:

...if you do enough steps, they give you extra points. So suddenly you can get something free at the store.

KEVIN O'LEARY:

If we're ever running the show on digital at CVS, they should keep their job.

KAYLA TAUSCHE, CNBC, REPORTER:

Bertha, good stuff. Thank you.

No Offer or Solicitation

This communication is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, the solicitation of an offer to subscribe for, buy or sell or an invitation to subscribe for, buy or sell any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Additional Information and Where to Find It

In connection with the proposed transaction between CVS Health Corporation (*CVS Health*) and Aetna Inc. (*Aetna*), CVS Health and Aetna will file relevant materials with the Securities and Exchange Commission (the *SEC*), including a CVS Health registration statement on Form S-4 that will include a joint proxy statement of CVS Health and Aetna that also constitutes a prospectus of CVS Health, and a definitive joint proxy statement/prospectus will be mailed to stockholders of CVS Health and shareholders of Aetna. INVESTORS AND SECURITY HOLDERS OF CVS HEALTH AND AETNA ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus (when available) and other documents filed with the SEC by CVS Health or Aetna through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by CVS Health will be available free of charge within the Investors section of CVS Health's Web site at <http://www.cvshealth.com/investors> or by contacting CVS Health's Investor Relations Department at 800-201-0938. Copies of the documents filed with the SEC by Aetna will be available free of charge on Aetna's internet website at <http://www.Aetna.com> or by contacting Aetna's Investor Relations Department at 860-273-8204.

Participants in Solicitation

CVS Health, Aetna, their respective directors and certain of their respective executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of CVS Health is set forth in its Annual Report on Form 10-K for the year ended December 31, 2016 (*CVS Health's Annual Report*), which was filed with the SEC on February 9, 2017, its proxy statement for its 2017 annual meeting of stockholders, which was filed with the SEC on March 31, 2017, and its Current Report on Form 8-K, which was filed with the SEC on May 12, 2017. Information about the directors and executive officers of Aetna is set forth in its Annual Report on Form 10-K for the year ended December 31, 2016 (*Aetna's Annual Report*), which was filed with the SEC on February 17, 2017, its proxy statement for its 2017 annual meeting of shareholders, which was filed with the SEC on April 7, 2017, and its Current Reports on Form 8-K, which were filed with the SEC on May 24, 2017 and October 2, 2017. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the *Reform Act*) provides a safe harbor for forward-looking statements made by or on behalf of CVS Health or Aetna. This communication may contain forward-looking statements within the meaning of the Reform Act. You can generally identify forward-looking statements by the use of forward-looking terminology such as *anticipate, believe, can, continue, could, estimate, evaluate, expect, forecast, guidance, intend, likely, may, might, outlook, plan, potential, predict, probable, project*

or will, or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond CVS Health's and Aetna's control.

Statements in this communication regarding CVS Health and Aetna that are forward-looking, including CVS Health's and Aetna's projections as to the closing date for the pending acquisition of Aetna (the transaction), the extent of, and the time necessary to obtain, the regulatory approvals required for the transaction, the anticipated benefits of the transaction, the impact of the transaction on CVS Health's and Aetna's businesses, the expected terms and scope of the expected financing for the transaction, the ownership percentages of CVS Health's common stock of CVS Health stockholders and Aetna shareholders at closing, the aggregate amount of indebtedness of CVS Health following the closing of the transaction, CVS Health's expectations regarding debt repayment and its debt to capital ratio following the closing of the transaction, CVS Health's and Aetna's respective share repurchase programs and ability and intent to declare future dividend payments, the number of prescriptions used by people served by the combined companies pharmacy benefit business, the synergies from the transaction, and CVS Health's, Aetna's and/or the combined company's future operating results, are based on CVS Health's and Aetna's managements' estimates, assumptions and projections, and are subject to significant uncertainties and other factors, many of which are beyond their control. In particular, projected financial information for the combined businesses of CVS Health and Aetna is based on estimates, assumptions and projections and has not been prepared in conformance with the applicable accounting requirements of Regulation S-X relating to pro forma financial information, and the required pro forma adjustments have not been applied and are not reflected therein. None of this information should be considered in isolation from, or as a substitute for, the historical financial statements of CVS Health and Aetna. Important risk factors related to the transaction could cause actual future results and other future events to differ materially from those currently estimated by management, including, but not limited to: the timing to consummate the proposed transaction; the risk that a regulatory approval that may

be required for the proposed transaction is delayed, is not obtained or is obtained subject to conditions that are not anticipated; the risk that a condition to the closing of the proposed transaction may not be satisfied; the ability to achieve the synergies and value creation contemplated; CVS Health's ability to promptly and effectively integrate Aetna's businesses; and the diversion of and attention of management of both CVS Health and Aetna on transaction-related issues.

In addition, this communication may contain forward-looking statements regarding CVS Health's or Aetna's respective businesses, financial condition and results of operations. These forward-looking statements also involve risks, uncertainties and assumptions, some of which may not be presently known to CVS Health or Aetna or that they currently believe to be immaterial also may cause CVS Health's or Aetna's actual results to differ materially from those expressed in the forward-looking statements, adversely impact their respective businesses, CVS Health's ability to complete the transaction and/or CVS Health's ability to realize the expected benefits from the transaction. Should any risks and uncertainties develop into actual events, these developments could have a material adverse effect on the transaction and/or CVS Health or Aetna, CVS Health's ability to successfully complete the transaction and/or realize the expected benefits from the transaction. Additional information concerning these risks, uncertainties and assumptions can be found in CVS Health's and Aetna's respective filings with the SEC, including the risk factors discussed in Item 1.A. Risk Factors in CVS Health's and Aetna's most recent Annual Reports on Form 10-K, as updated by their Quarterly Reports on Form 10-Q and future filings with the SEC.

You are cautioned not to place undue reliance on CVS Health's and Aetna's forward-looking statements. These forward-looking statements are and will be based upon management's then-current views and assumptions regarding future events and operating performance, and are applicable only as of the dates of such statements. Neither CVS Health nor Aetna assumes any duty to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, as of any future date.