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DEFINITY HEALTH ACHIEVES POSITIVE CASH FLOW IN THIRD QUARTER

*Strong Revenue Growth And Control Over
Operating Expenses Delivers First Positive Cash Flow Quarter*

MINNEAPOLIS – November 19, 2003 – Minneapolis-based Definity Health, a privately held provider of consumer-driven healthcare benefits, today announced record revenue and positive cash flows from operations of over \$500,000 during the quarter, ended September 2003. It is the first quarter the company has reported positive cash flow.

The results reflected strong year-over-year growth as revenues exceeded \$9 million for the quarter; an increase of over 350 percent compared to the third quarter of 2002. Membership in the Definity Health plan at the end of the third quarter reached 190,000 and will approach 320,000 in January 2004, solidifying Definity Health's position as the nation's largest consumer-driven health plan.

"Our consumer-driven model has delivered against its value proposition: cost control for employers and a better health plan for employees," said Tony Miller, Definity Health chief executive officer. "Our tremendous growth shows that the market values our products and services and is looking to consumer-driven healthcare as a key solution to the cost and quality challenges facing healthcare today." The company recently reported that, on average, employers renewing its coverage for 2004 will face an increase of less than five percent, compared with projected industry costs increases of nearly 13 percent.

Definity Health's consumer-driven healthcare program differs dramatically from traditional managed care plans. It replaces the restrictions and bureaucracy with greater choice for consumers in the doctors and type of care they use, financial products that give employees ownership of their health benefits, and extensive information and support in making healthcare decisions. More than 80 organizations, including 33 Fortune 1000 or Global 500 companies currently offer the Definity Health benefit program to their employees.

"This is a very important milestone for us as a young company," stated Randy Schmidt, Definity Health chief financial officer. "Achieving positive cash flows in the third quarter provides confidence to both our investors and our clients, and gives us great momentum with clear visibility on positive earnings

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and cash flows in 2004. In addition, we now will have the free cash flow to pursue more aggressive investments in product and service innovations for our clients and members as we continue our leadership of consumer-driven healthcare.”

Minneapolis-based Definity Health (www.definityhealth.com) leads the nation in providing consumer-driven healthcare benefit programs. In 2000, Definity Health became the first company to make consumer-driven healthcare available to self-insured employers across the country. The company was awarded the National Business Group on Health 2002 *Mercury Award* for eHealth excellence and the 2001 *Creative Excellence in Benefits Award* by the International Foundation of Employee Benefit Plans. The Health Insurance Association of America also recognized Definity Health and CEO Tony Miller with its 2001 *Innovators Award*.

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