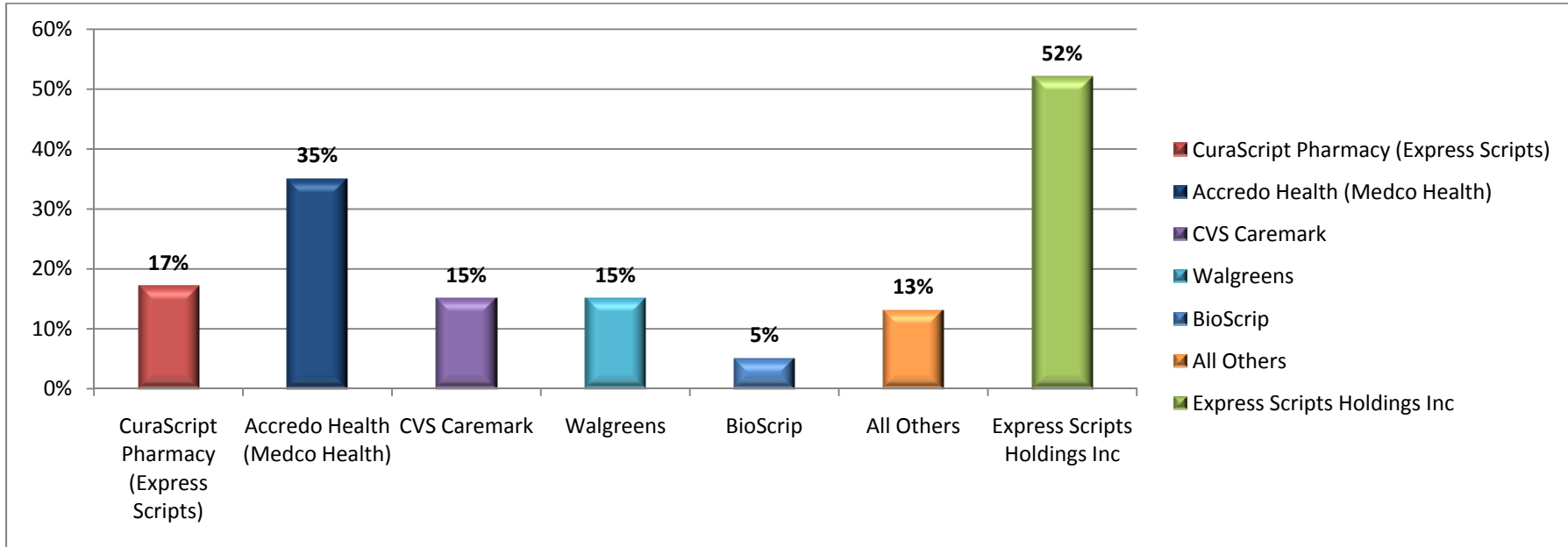


Total Specialty Drug Market Share: Express Scripts, Medco Health Solutions, Express Scripts Holding Inc. Compared to Competition*

Pembroke Consulting 2010-2011 Economic Report on Retail and Specialty Pharmacies
Current Market Share Depicted with Green Bar Representing the Proposed Merger of Express Scripts and Medco



Market Share – Specialty Drugs

- Specialty pharmaceuticals are high cost drugs for patients who are undergoing intensive therapies for illnesses that are generally chronic, complex, relatively rare, and potentially life-threatening.
- Revenues in the pharmacy industry will shift away from tradition brand-name drugs to specialty drugs over the next few years.
- Greater dispensing of specialty drugs will increase revenue growth at pharmacies, although the concentration of the specialty industry means that a small number of pharmacies will benefit disproportionately from this growth
- The concentration of specialty pharmacies is even greater than the overall pharmacy industry. Pembroke Consulting estimates that the largest five specialty pharmacies generate 90 percent of the industry’s revenue
- The “new” Express Scripts Holdings, Inc. will dominate the specialty drug market with over 50 percent market share
- CVS Caremark and Walgreens combined are only 30 percent
- The average specialty drug cost \$1,867
- While PBM tout the impact they allegedly have on controlling traditional drug cost with annual percentage increases in the low single digits, Medco and Express Scripts specialty clients see annual percentage increases of 14.7% and 19.5% respectively. CVS Caremark’s specialty increase was 11%

*Above company market share info based on 2009 AIS company reports and Pembroke Consulting estimates. Express Scripts Holding Inc., the company to be formed from proposed merger of Express Scripts and Medco Health Solutions, reflects combined 2009 market share for CuraScript Pharmacy (Express Scripts) and Accredo Health (Medco Health).