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Forward-looking statements

This presentation contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that may cause results to differ materially from those set forth in the statements. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and future financial results of the pharmacy benefit management ("PBM") and specialty pharmacy industries, and other legal, regulatory and economic developments. We use words such as "anticipates," "believes," "plans," "expects," "projects," "future," "intends," "may," "will," "should," "could," "estimates," "predicts," "potential," "continue" and similar expressions to identify these forward-looking statements.

Forward-looking statements in this presentation should be evaluated together with the risks and uncertainties that affect our business, particularly those mentioned in the Risk Factors section of the Company's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission.

Medco: growth and innovation in pharmacy

1 Industry overview and the Medco advantage

2 Drivers for long-term growth and profitability

3 Growth opportunities for 2007 and beyond

Pharmacy industry profitability drivers

Aging of America

- By 2010, seniors aged 55-64 will increase by nearly 50%¹
- Seniors consume 3 times the average drug spend of younger consumers (more than 30 Rx's each)

Drug spend inflation & the need to control costs

- CMS projects drug spend to increase by 8% annually through 2010
- Expected to drive top line growth and demand for PBM services²

Specialty pharmaceutical growth

- Fastest growing component -- expected to reach \$78 billion³ in 2008
- 95% growth over past 5-year period
- Expected CAGR of over 34% from 1995-2010

Continued shift to generics

- More than 60 brand-name medications (combined sales of approx. \$51 billion) scheduled to become available generics from 2006-2011⁴

Mail service growth

- Prescription volume at mail accounts for more than 17% of all U.S. prescription drug sales, and continues to grow

Medicare Part D

- PBM market opportunity for Medicare-eligible lives has more than doubled with Medicare Part D

¹ U.S. Census Bureau Population Projections Bureau, Release Date January 13, 2000.

² CMS Feb 2006.

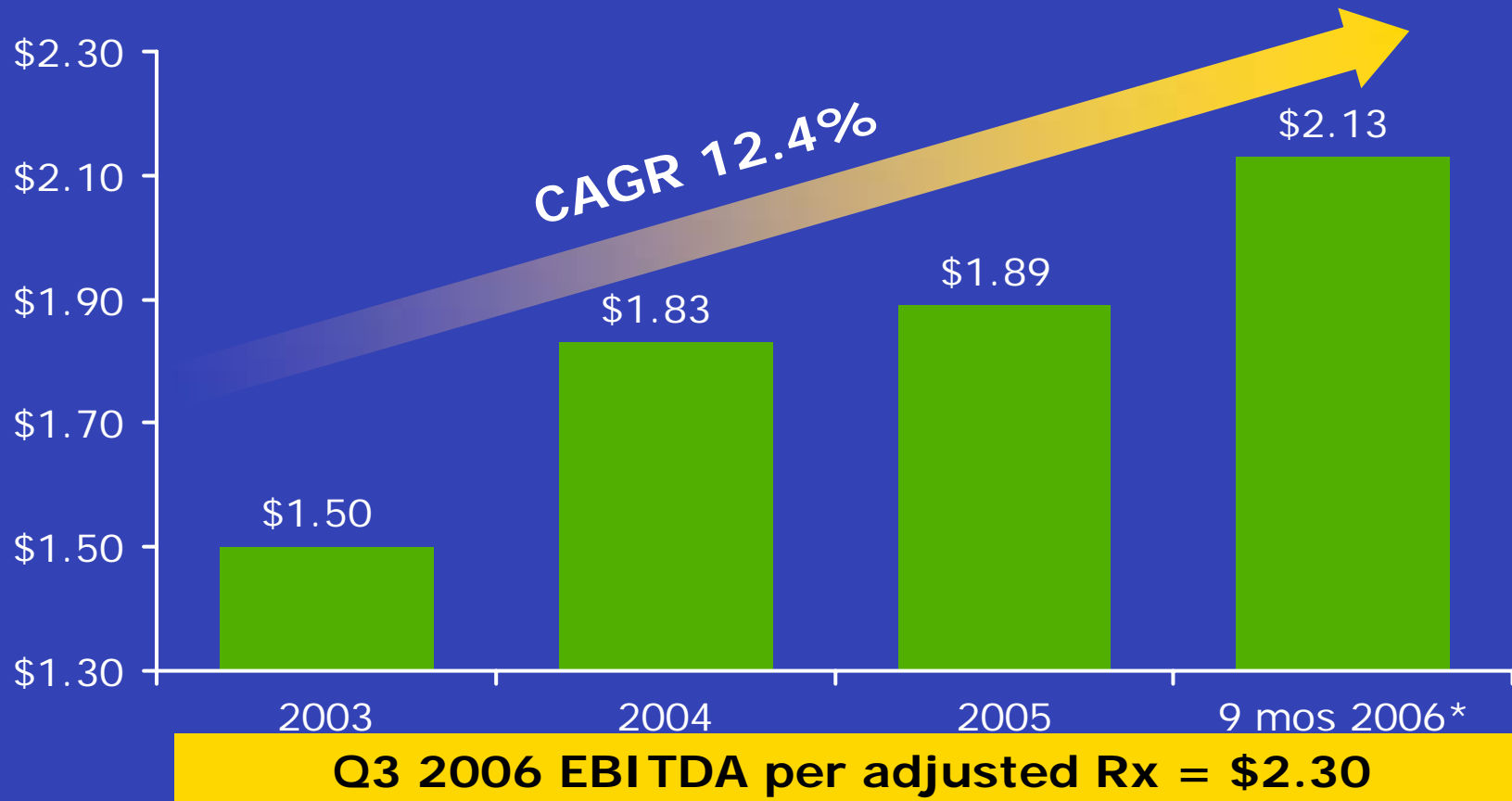
³ Banc of America, Sept 14, 2005.

⁴ Medco estimates.

The Medco advantage

- ✓ **Scale drives operational excellence, efficiencies and innovation**
- ✓ **Industry Leading Transparency**
- ✓ **Member Engagement/Clinical Innovation**
 - Therapeutic Resource Centers
 - My Rx Choices
 - Optimal Health
- ✓ **Trend Management – EXPERxT Advisor®**
- ✓ **8 of the Top 10 Clients in the Fortune 500**

EBITDA per adjusted script



* Excludes first quarter 2006 legal settlements charge

Medco drivers for long-term growth and profitability



Grow generics



Grow mail



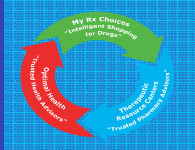
Grow specialty pharmacy



Grow net-new sales



Grow Medicare Part D



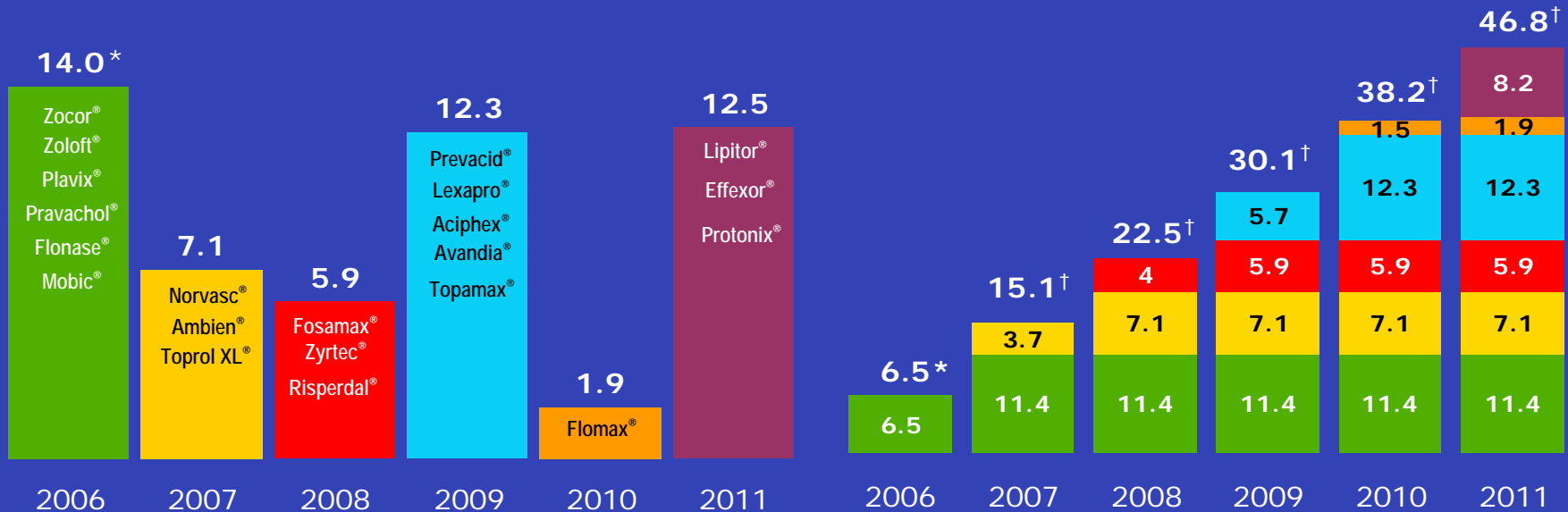
Innovate for a greater tomorrow

Generic growth opportunity

\$51B[†] brand drugs off-patent through 2011

\$51B in US off-patent Brand-name drug spend
(\$ Billions, annualized)

Off-patent compounding effect
(\$ Billions, prorated)

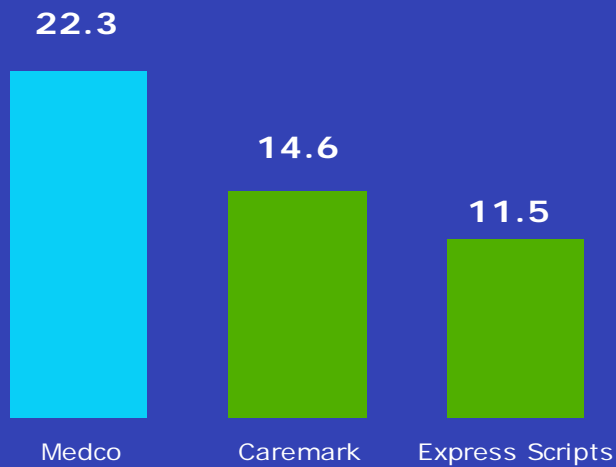


† Excludes Plavix, \$2.7B annual US spend * Includes Plavix, \$2.7B annual US spend

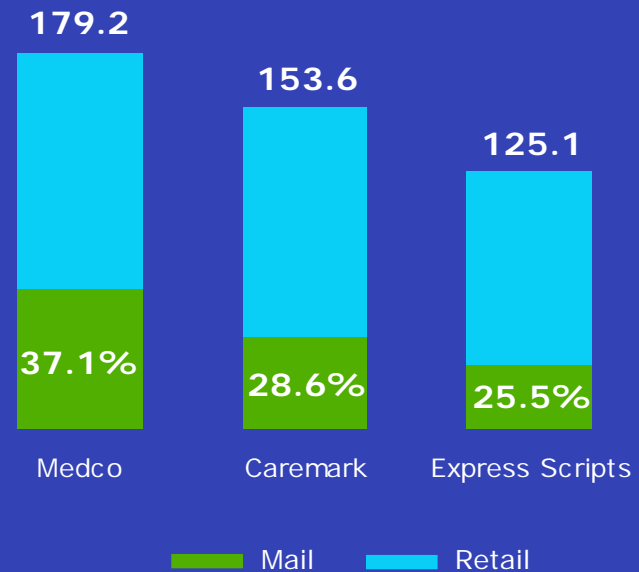
Source: U.S. Drug spend estimates are based on IMS Health data for 2005, compounded amounts prorated for mid-term expirations. Brand drug expirations based on expected patent expiration dates current as of October 2006. Changes may occur due to litigation, patent challenges, etc.

Medco continues to be the leader; largest mail volume and % of total Rx's

Mail order Rx's, unadjusted
3Q'06 (millions)



Total adjusted Rx's
3Q'06 (millions) and
adjusted mail penetration (%)



Source: Company and analyst reports.

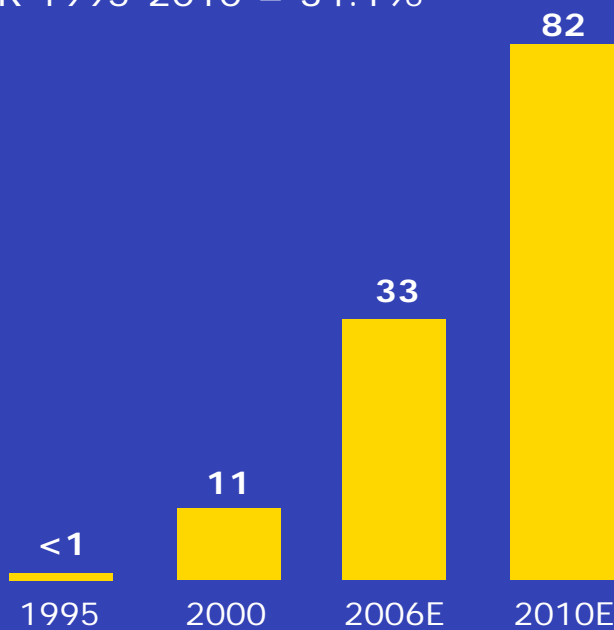
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Robust biotechnology drug pipeline

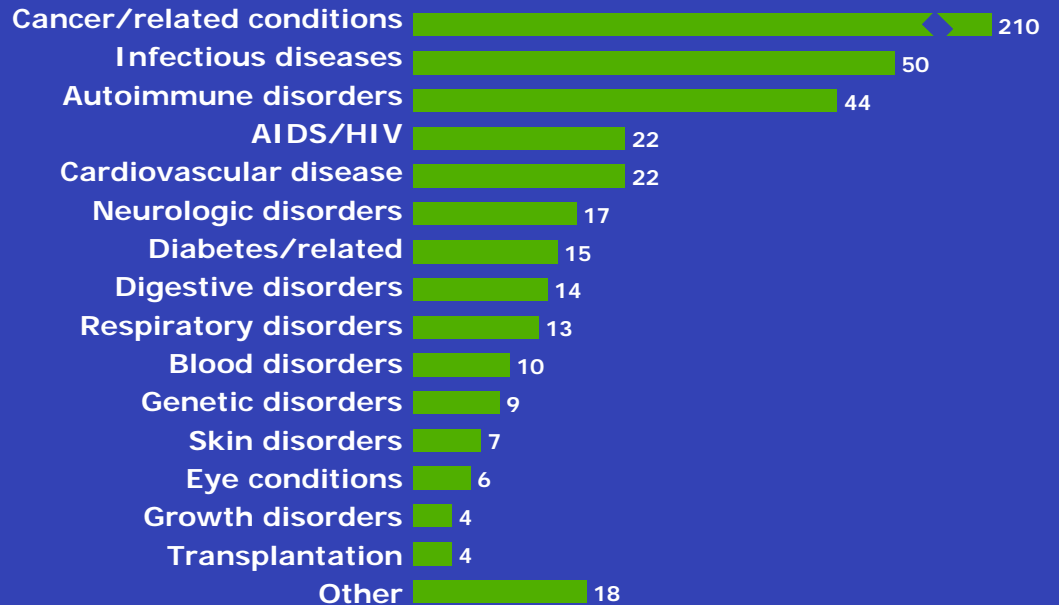
Over 400 drugs in development

Specialty pharmacy drug spend*
(\$ in billions)

CAGR 1995-2010 = 34.1%



More than 400 drugs in development pipeline*



45% of drugs in clinical trials for new indications are specialty
21% of pipeline drugs through 2007 are specialty

Source: Medco Estimates

*Excludes oncology spend of approximately \$20 - \$25B

*Source: PhRMA 2005 Survey: Medicines in Development, Oct. 2006

Some medicines are listed in more than one category.

2006 Results in the marketplace*

97.5%

Client retention rate – average contract length 4.5 years

\$3.3B

Net-new sales 2006, to date
(includes Medicare)

\$6.3B+

2006 renewals (above \$10B renewals in 2005)

\$3.7B+

New annualized business in 2006

\$1.2B+

New annualized business for 2007

* All figures current as of third quarter 2006.

Medco's major initiatives for more effective engagement

My Rx Choices

The ultimate enrollment tool for aligning member behavior with the pharmacy benefit

Medco Therapeutic Resource Centers

A more expert, more personal approach to pharmacy care

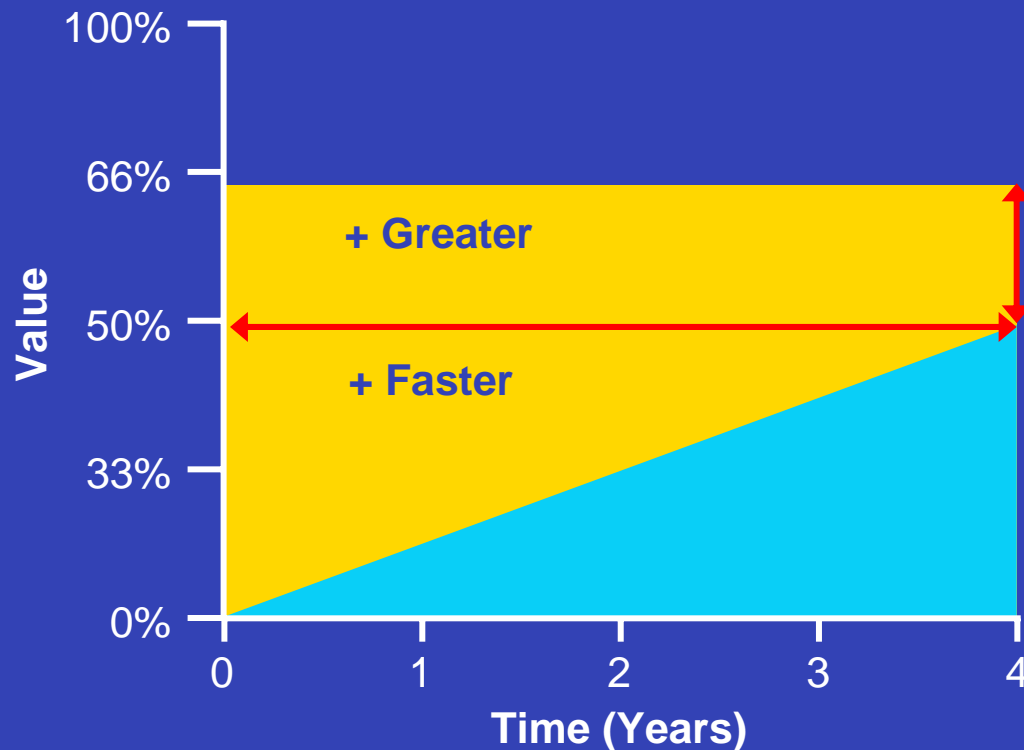
Optimal Health

A Medco/Healthways collaboration for health & care support

My Rx Choices:

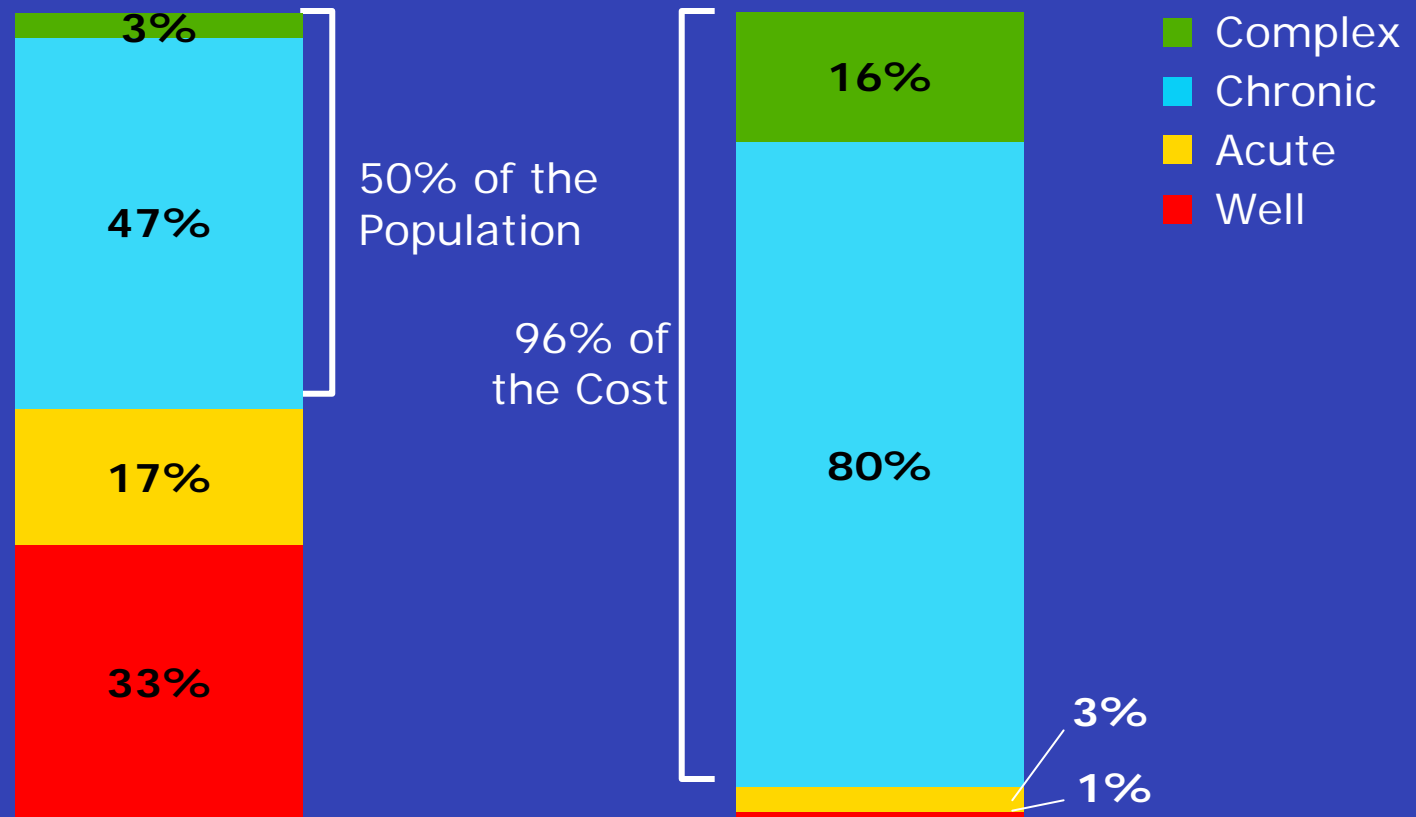
The first step in personal member engagement

How Value Is Captured



Ability to choose best cost drug therapy made easy

Leveraging information: Patient stratification



Source: Medco probability sample

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Therapeutic Resource Centers: The second step in personal member engagement

Population-based therapy management theory



Retail

Well

Wrinkles,
Baldness,
Impotence,
Contraception,
Vitamins

Acute

Colds & Flu,
Strep Throat,
Ear Infection,
Headache,
Sprains

Therapeutic Resource Centers

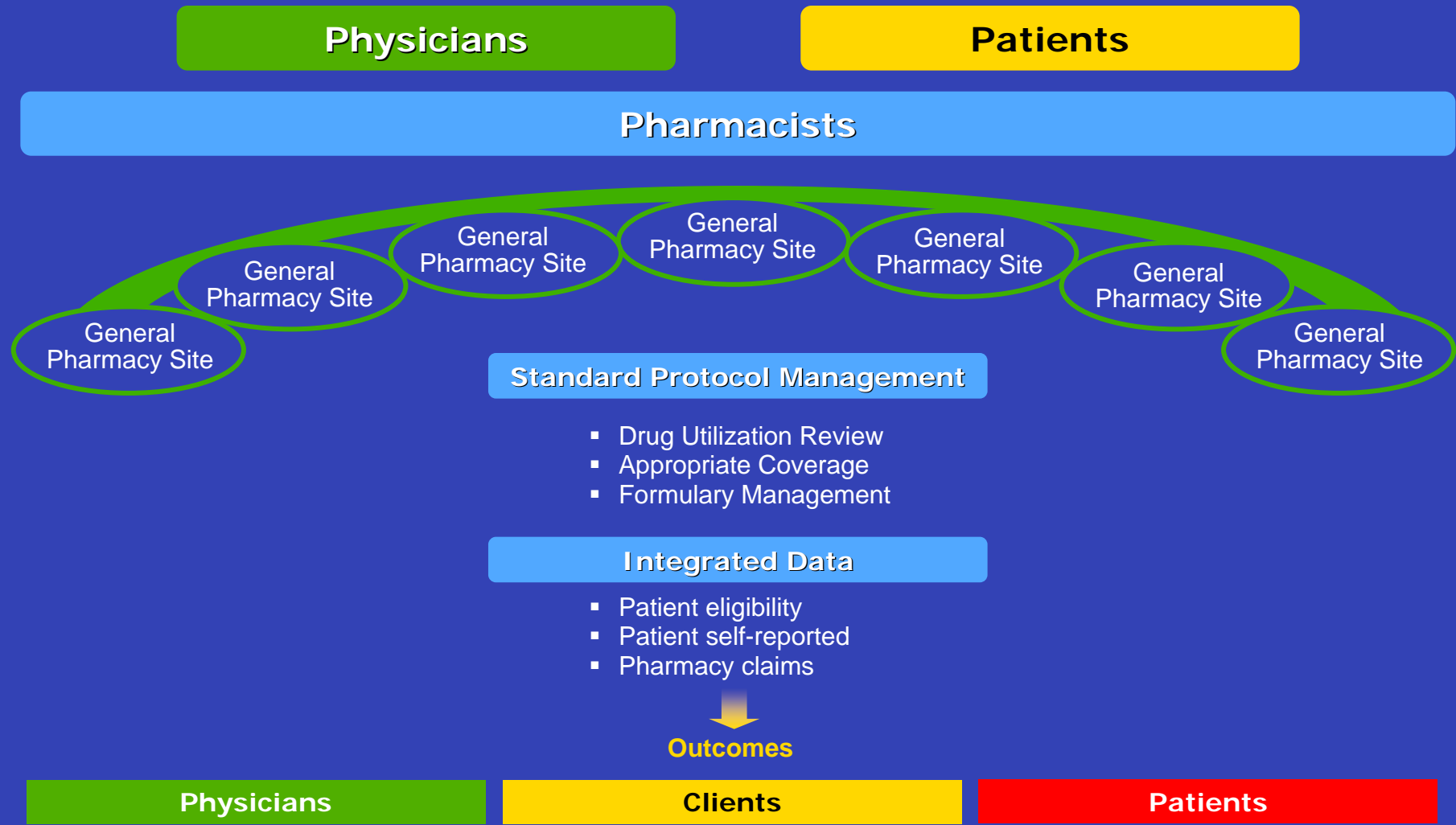
Chronic

Heart Disease,
Diabetes, Arthritis,
High Blood Pressure,
High Cholesterol,
Dementia, Back Pain

Complex

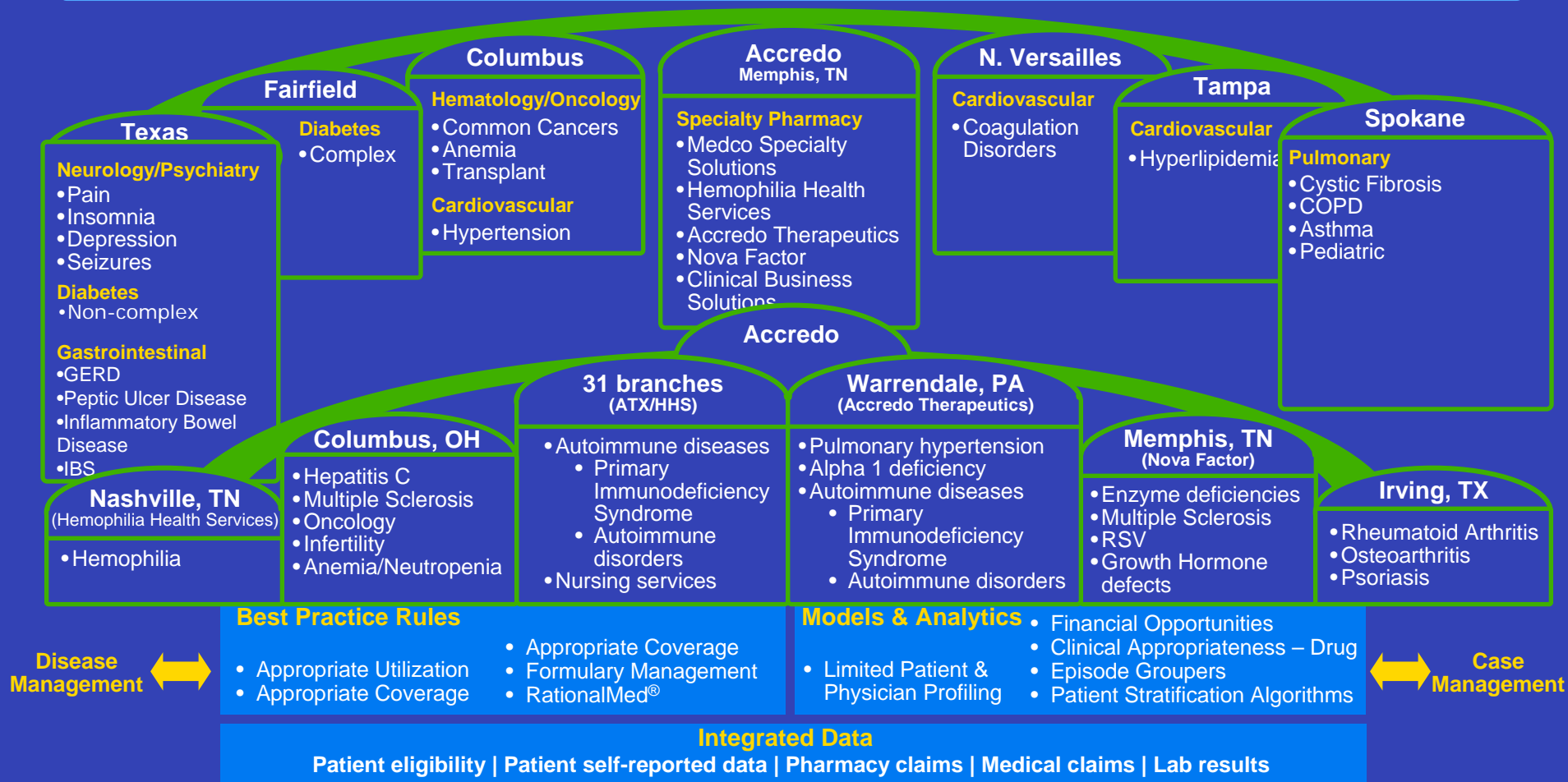
Multiple Chronic
Conditions such as
Heart Failure and
Diabetes, Cancer,
AIDS, Metabolic
Syndrome

The general practice of pharmacy

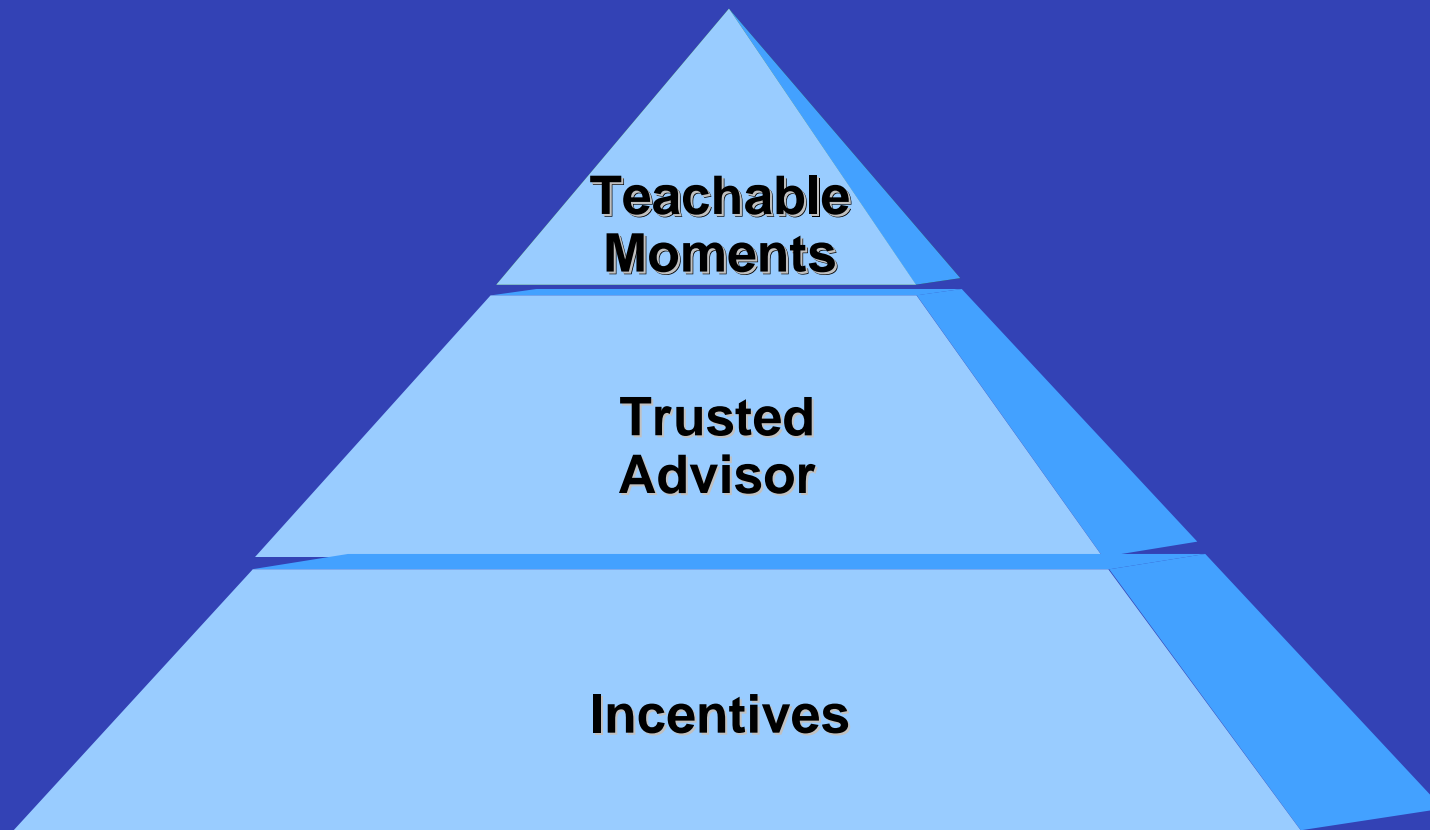


The specialized practice of pharmacy: Leveraging the teachable moment

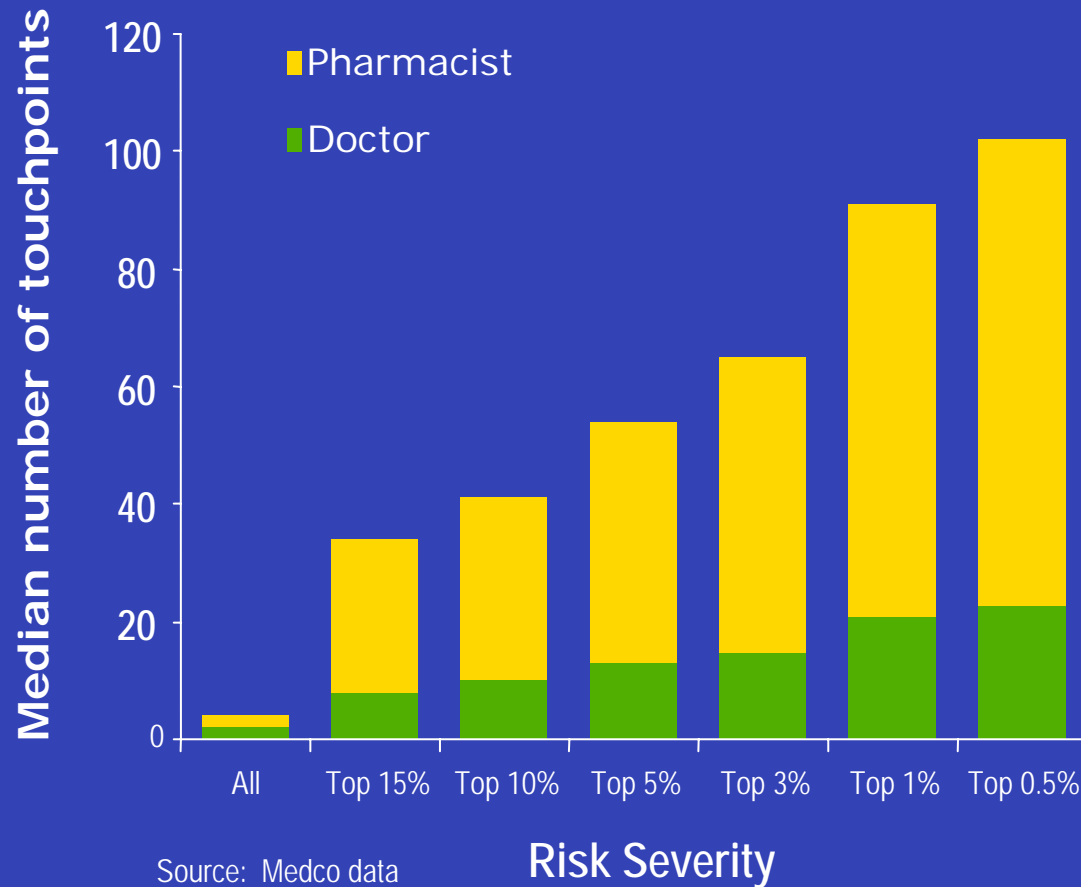
Specially Trained Pharmacists



Effective member engagement model



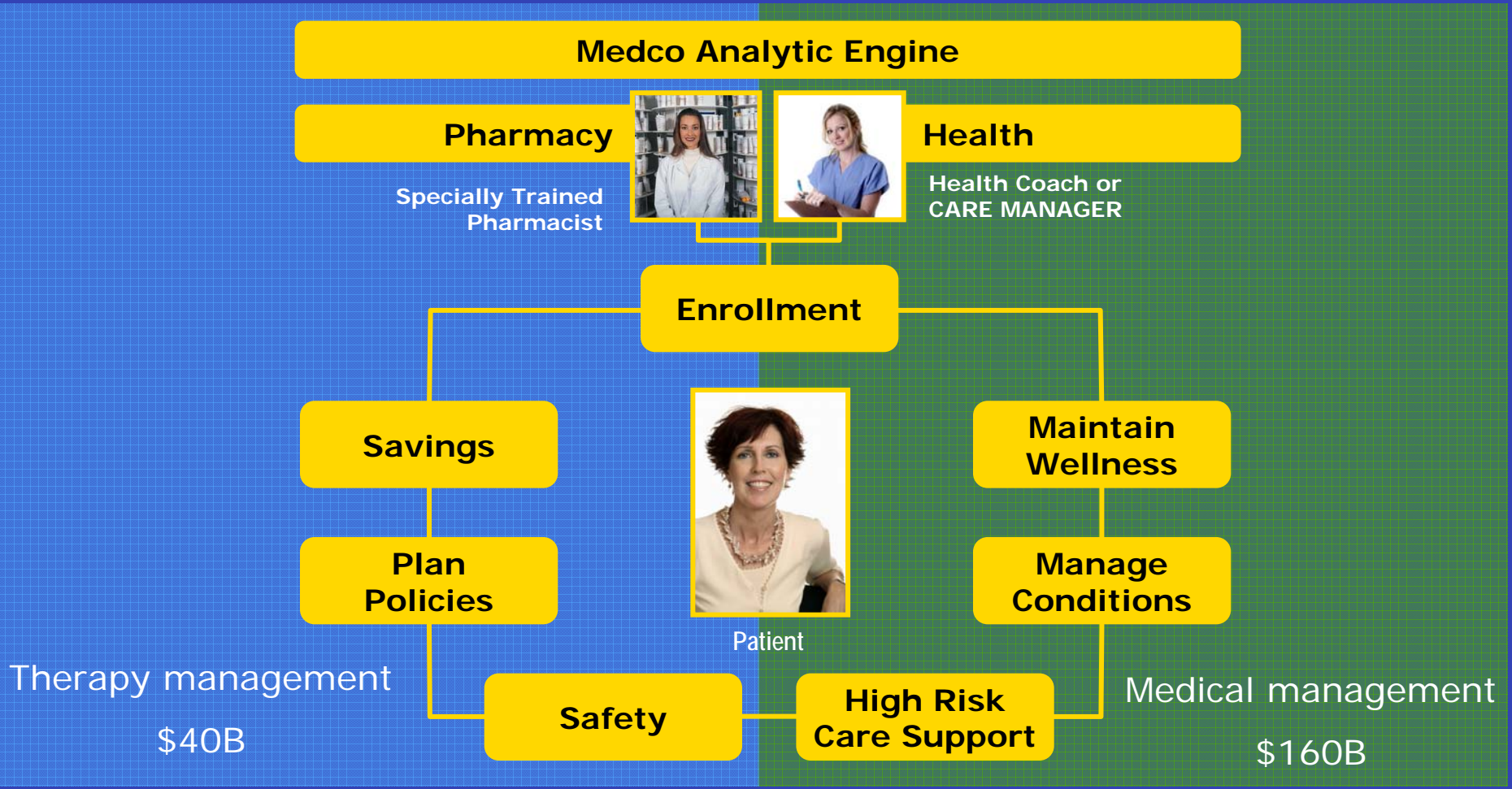
Our pharmacists have the teachable moments and trusted advisor role



**Pharmacists #1
for honesty and ethics
for 9 straight years**

Source: Gallup

Optimal health: Leveraging the teachable moment for the total healthcare \$\$\$



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Appendix

Reconciliation Tables

Medco Health Solutions, Inc. Selected Information (Unaudited) (In millions, except for EBITDA per adjusted prescription data)

EBITDA Reconciliation:	Quarter Ended	Nine Months Ended	Full Years Ended		
	September 30, 2006	September 30, 2006	December 31, 2005 ^{1, 2}	December 25, 2004	December 27, 2003
Net income	\$185.8	\$ 401.4	\$ 602.0	\$ 481.6	\$ 425.8
Add:					
Interest and other (Income) expense, net	20.9	49.8	39.9 ³	59.9 ⁴	23.7 ⁵
Provision for income taxes	109.3 ⁶	242.3 ⁶	350.9 ⁷	324.7	302.9
Depreciation expense	42.3	133.2	165.0	197.6 ⁸	189.0 ⁸
Amortization expense	54.6	163.9	192.5	179.9	94.3
EBITDA	\$ 412.9	\$ 990.6	\$1,350.3	\$ 1,243.7	\$ 1,035.7
Legal settlements charge ⁹	-	162.6	-	-	-
EBITDA, excluding the legal settlements charge	\$ 412.9	\$ 1,153.2	\$ 1,350.3	\$ 1,243.7	\$ 1,035.7
Adjusted prescriptions ¹⁰	179.2	542.3	714.1	678.3	688.2
EBITDA per adjusted prescription	\$ 2.30	\$ 1.83	\$ 1.89	\$ 1.83	\$ 1.50
EBITDA per adjusted prescription, excluding the legal settlements charge	\$ 2.30	\$ 2.13	\$ 1.89	\$ 1.83	\$ 1.50

1. 53-week fiscal year. All other fiscal years are comprised of 52 weeks. 2. Includes Accredo's operating results commencing August 18, 2005, the date of acquisition. 3. 2005 includes the write-off of deferred debt issuance costs amounting to \$2.7 million associated with the debt refinancing for the Accredo acquisition and accelerated term loan payments. 4. 2004 includes the write-off of deferred debt issuance costs amounting to \$5.5 million associated with a debt refinancing. 5. 2003 excludes a one-time gain of \$11 million from the sale of a minority equity investment in a nonpublic company. 6. 2006 includes a \$6.6 million nonrecurring tax benefit reflected in the third quarter, as well as a \$12.5 million nonrecurring tax benefit reflected for the nine months. 7. 2005 includes a \$25.7 million nonrecurring tax benefit reflected for the full year. 8. For 2004 and 2003, this includes accelerated depreciation of \$24.5 million and \$13.3 million, respectively, associated with facility closures that took place in 2004. 9. This represents the pre-tax legal settlements charge of \$162.6 million recorded in the first quarter of 2006. This charge reflected an agreement with the U.S. Attorney's Office for the Eastern District of Pennsylvania to settle three previously disclosed pending federal legal matters. The settlement agreements for these three matters were signed and approved by the District Court on October 23, 2006. 10. Estimated adjusted prescription volume equals the majority of mail-order prescriptions multiplied by 3, plus retail prescriptions. These mail-order prescriptions are multiplied by 3 to adjust for the fact that they include approximately 3 times the amount of product days supplied compared with retail prescriptions.