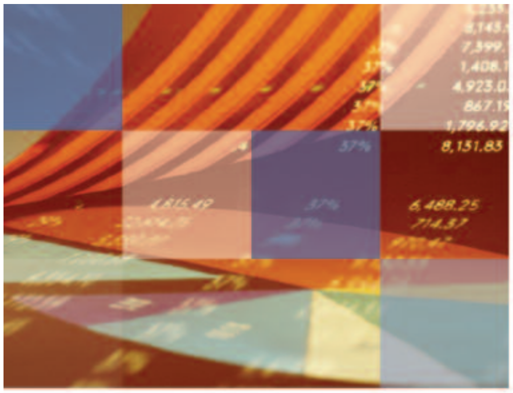


TrendsRx®

2005 Caremark Book of Business Trend

7.9% PMPY BOOK OF BUSINESS

7.0% PMPY WITHOUT SPECIALTY PHARMACY

Caremark trend management solutions helped our clients maximize the opportunities offered this year by the increasing supply of generics to achieve **a single-digit trend for the third year** in a row. At 7.9% per member per year (PMPY), Caremark combined Book of Business (BOB) trend* is significantly less than industry forecasts. **Utilization continues to be the main driver** of pharmacy trend. Specialty pharmacy was a signicant driver, pushing overall trend nearly a percentage point higher. **Generic dispensing rates improved** throughout the year, reaching 54.2% in December and averaging 52.6% overall, compared to 48.2% in 2004. In fact, in 2005, **utilization of generics shifted drug mix as a trend driver to neutral**; if we look at trend without specialty pharmacy, trend for drug mix measured -0.7%.

Book of Business Trend Drivers	Utilization: 4.1%	Price: 3.7%	Drug Mix: 0.0%

Increasing Utilization, the Dominant Driver of Trend

The **aging of our population** continues to be a major factor behind our increasing utilization of drugs.

Incidence of chronic conditions is greatest in the elderly, but there is also an **increased incidence and treatment of chronic conditions** across the population as a whole.

Chronic conditions entail **long-term use of drug therapy** to manage the disease and prevent complications.

More aggressive guidelines for disease diagnosis and treatment have increased utilization as diseases are recognized and treated earlier and more intensively.

New drugs can increase utilization, particularly when they represent breakthrough therapies or new benefits. In 2005, for example, Lunesta® (eszopiclone) was launched as the first sleep aid with an indication that is not limited to short term use. In 2006, we expect launch of Acomplia™ (rimonabant) with an indication for the treatment of obesity. Both drugs could expand the treated population and are considered to have blockbuster potential.

"Indication creep" occurs when a drug gains approval for additional indications, thus expanding the pool of potential users. In recent years, indication creep has been especially evident among specialty pharmaceuticals.

Pharmaceutical marketing can increase overall utilization by increasing disease awareness as well as by promoting specific products. While the direct-to-consumer (DTC) spending trend appears to be slowing, pharmaceutical manufacturers continue to invest heavily in consumer messaging with increasing focus on patient education and adherence to promote long-term product utilization.

*2005 Caremark BOB trend is the percentage change in gross drug spend from 2004 to 2005. The trend is based on 24 months of data, representing Caremark clients with integrated benefits and is reported on a per member per year (PMPY) basis. Gross spend is the cost to clients and their plan participants after discounts. Impact of drivers is determined multiplicatively for actuarial alignment according to industry standards.

Drug Mix: The Right Drug

Over the last few years, an increasing number of blockbuster brand drugs faced **generic competition** for the first time. Caremark clients benefited significantly from these opportunities by implementing benefit designs that encouraged utilization of generics and promoting member education about these cost-effective alternatives. Our 2005 **generic dispensing rate (GDR) rose to 52.6%**, up from 48.2% in 2004. Major first-time generics in 2005 included the antihistamine fexofenadine (Allegra®) and the antibiotic azithromycin (Zithromax®). In 2006, the market anticipates a number of new generic entries, including cholesterol drugs pravastatin (Pravachol®) and simvastatin (Zocor®). Generic versions of Flonase® (fluticasone propionate), a nasal corticosteroid; Ambien® (zoldipem tartrate), an insomnia agent; and Zoloft® (sertraline), an antidepressant; are also expected to launch in the next 12 to 15 months.

Seniors' drug spend is dramatically higher

Over 65	Under 65
$1,269.85 PMPY	$653.53 PMPY

and their utilization of generics is lower.

Over 65	Under 65
50.3% generic utilization	54.5% generic utilization

Caremark Book of Business data, generic utilization for December 2005

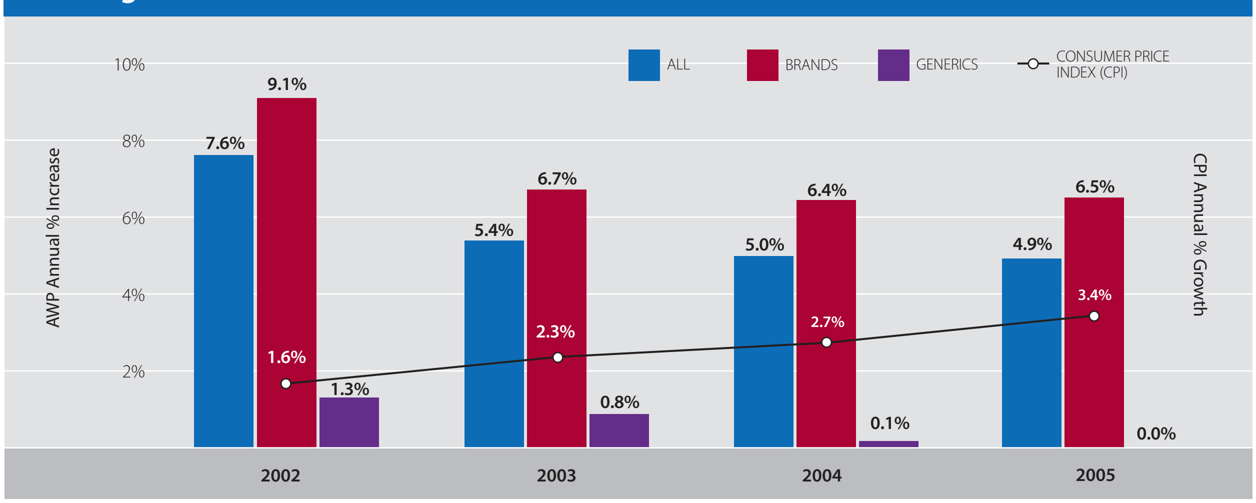
2005 Brand Drug Launches

As has been true for the last few years, the traditional brand drug pipeline produced **few high-performing new products** in 2005, helping to reduce the impact of drug mix as a trend driver. The FDA was cautious, approving only 20 new drugs (includes two biologics) in 2005. This was a decrease of more than 44% from the 36 NME approvals in 2004 (includes five biologics). Notable 2005 launches include the insomnia agents Lunesta® (eszopiclone) and Rozerem™ (ramelteon); Lyrica® (pregabalin), which is indicated for the treatment of pain associated with diabetic peripheral neuropathy; and several products for diabetes including Symlin® (pramlintide) and Byetta® (exenatide).

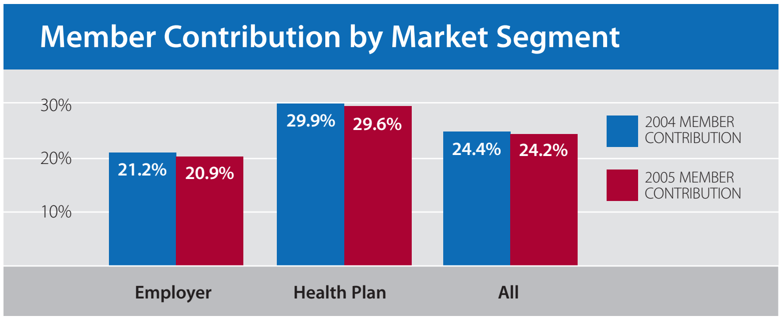
Price Increases: Generics Hold the Line

Price inflation was second to utilization as a trend driver in 2005. The rate of brand price increases accelerated, while prices for generics held steady.

Average Wholesale Price Inflation



Caremark Book of Business data



Member contribution levels remained relatively stable in 2005; plans looked to other strategies help manage trend. Consequently, **BOB net trend at 8.3%** was higher than gross trend.

Caremark 2005 BOB data;
Includes specialty

Top 10 Brand Drugs

2005 Rank	2004 Rank	Drug	Class	% Gross Spend
1	1	Lipitor	Antihyperlipidemic (cholesterol)	5.0%
2	2	Nexium	Anti-ulcer Drug	2.6%
3	3	Prevacid	Anti-ulcer Drug	2.1%
4	6	Advair Diskus	Antiasthmatic	1.6%
5	5	Zoloft*	Antidepressant	1.4%
6	10	Plavix	Anti-platelet medication	1.4%
7	9	Effexor XR	Antidepressant	1.3%
8	4	Zocor*	Antihyperlipidemic (cholesterol)	1.2%
9	7	Pravachol	Antihyperlipidemic (cholesterol)	1.2%
10	12	Singulair	Antiasthmatic	1.2%

Drugs ranked by gross cost in the Caremark BOB 2005. Excludes specialty products
*2006 launch of generic equivalent expected

Top 10 Therapeutic Classes by 2005 Gross Cost

2005 Rank	2004 Rank	Class	Gross Trend	Utilization Trend	% Gross Spend
1	1	Antihyperlipidemics (cholesterol)	13.7%	10.5%	10.6%
2	2	Anti-ulcer drugs	5.0%	2.3%	7.5%
3	3	Antidepressants	-0.3%	1.3%	7.0%
4	4	Antihypertensives	8.6%	5.3%	5.3%
5	6	Antidiabetics	14.1%	9.7%	4.9%
6	7	Antiasthmatic and bronchodilator agents	17.6%	8.9%	4.9%
7	5	Analgesics – anti-inflammatory	-13.6%	-23.2%	4.1%
8	10	Misc. endocrine and metabolic agents	13.2%	5.3%	3.1%
9	9	Analgesics – opioid	6.0%	10.6%	2.9%
10	8	Anticonvulsants	5.1%	6.5%	2.9%

Asthma drugs, led by Singulair® and Advair Diskus®, posted the highest gross trend of the top therapeutic categories. Anti-inflammatory analgesics, which include the NSAIDs and COX II drugs, had a negative trend as the market continues to react to the withdrawals of Vioxx® and Bextra® and safety concerns about the class as a whole. The launch of generic antidepressants helped lower trend for the category, which was also affected by safety concerns.

Overview and Projections for Selected Therapeutic Categories

Therapeutic Category	2006 Expected Trend	Recent and 2006 Anticipated Brand Launches	Anticipated Generic Launches	Current Generic Opportunity	OTC Opportunity
Antihyperlipidemics – Cholesterol-lowering Agents	▲	Vytorin, Caduet	Zocor, Pravachol	lovastatin	
Anti-ulcer Agents – Proton Pump Inhibitors (PPIs)	▬			omeprazole	Prilosec OTC
Antidepressants					
SSRIs	▼		Zoloft	fluoxetine, paroxetine, citalopram,	
SNRIs	▲	Cymbalta		None available	
Antihypertensives					
Calcium Channel Blockers (CCBs)	▬			cartia XT, verapamil SR, nifedical XL	
ACE Inhibitors	▬		Aceon	lisinopril, enalapril, quinapril	
Angiotensin II Receptor Antagonists (ARBs)	▲			None available	
Antidiabetics					
Insulin Sensitizing Agents	▲	ACTOplus met		None available	
Insulin	▲	Apidra, Exubera, Levemir		None available	
Antiasthmatic and Bronchodilator Agents Sympathomimetics	▲			albuterol, terbutaline	
Anti-inflammatory Analgesics NSAIDs	▬	Arcoxia, Dynastat	Mobic	ibuprofen, naproxen, nabumetone, oxaprozin	Advil, Motrin, Aleve
Misc. Endocrine and Metabolic Agents – Calcium/bone Regulators	▲	Boniva, Fosamax Plus D, Actonel with Calcium, Oporia, Preos	Miacalcin Nasal	None available	
Analgesics, Opiod – Narcotic Agonists	▲			tramadol, fentanyl, morphine sulfate	
Anticonvulsants	▲	Lyrica, Rufinamide	Trileptal, Zonegan	gabapentin, carbamazepine, primidone	
MISCELLANEOUS CATEGORIES					
Antihistamines, Non-sedating (NSAs)	▼	Allegra-D 24 Hours	Allegra-D	fexofenadine	Claritin, Claritin D
Antiplatelet Medication	▲		Plavix	cilostazol, dipyridamole, ticlopidine	
Multiple Sclerosis Agents	▲	**Tysabri** (possible relaunch)		None available	
Rheumatoid Arthritis Agents	▲	**Orencia**		None available	
Non-barbiturate Hypnotics	▲	Ambien CR, Lunesta, Indiplon	Ambien	temazepam, triazolam, flurazepam	
Nasal Steroids	▼		Flonase	flunisolide	

Arrow Key	
▲	Estimated greater than 4% increase
▬	Estimated flat trend
▼	Estimated greater than 4% decrease
Drug	Specialty product

These pages contain prescription brand name drugs that are registered or trademarks of pharmaceutical manufacturers that are not affiliated with Caremark.

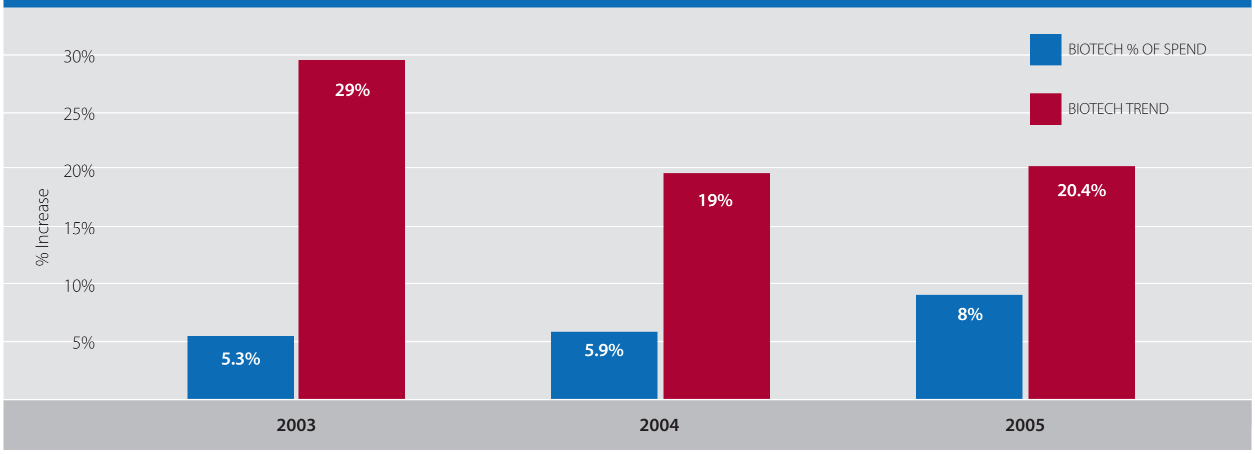
This information has been compiled from a number of sources and is provided for informational purposes. Due to circumstances beyond our control, information related to prospective drug launches is subject to change without notice. Expected trend is projected based on marketplace events only and does not reflect plan design, clinical programs and other initiatives that may impact trend. This analysis is provided for informational purposes only.

Specialty Trend Driven by Double-Digit Growth in Utilization

Specialty Trend: 20.4% | **Specialty Utilization Trend: 11.4%**

In 2005, specialty pharmaceuticals grew from less than 6% of our gross BOB spend to 8%. Growth was largely driven by **rapidly increasing utilization**, which grew at more than twice the BOB rate. In addition to the introduction of new specialty products, growth in utilization related to an **ongoing increase in indications** for specialty products already on the market. For example, Humira® (adalimumab) was approved in 2002 for the treatment of symptoms associated with moderate to severe rheumatoid arthritis (RA). Today it has been approved for five additional indications, including the treatment of psoriatic arthritis and plaque psoriasis. Additional indications for Humira are under consideration at the FDA. The **specialty pipeline** continues to be robust. Orencia™ has been approved by the FDA and is expected to launch in 2006, further expanding utilization of specialty products for RA, one of the highest-trending specialty categories. Specialty products for diabetes, macular degeneration and a number of forms of cancer are also pending FDA approval in 2006.

Biotech/Specialty Spend and Trend



2005 Top 10 Biotech/Specialty Products

2005 Rank	2004 Rank	Drug	Common Indication	Drug Utilization Trend
1	1	Enbrel	Rheumatoid arthritis	26.6%
2	2	Avonex	Multiple sclerosis	-5.7%
3	4	Humira	Rheumatoid arthritis	38.4%
4	3	Copaxone	Multiple sclerosis	12.5%
5	5	Procrit	Hematological used for anemia	6.5%
6	6	Cellcept	Immunosuppressive used with organ transplants	12.3%
7	8	Gleevec	Antineoplastic used to treat a rare cancer	16.0%
8	9	Rebif	Multiple sclerosis	25.0%
9	7	Prograf	Immunosuppressive used with organ transplants	13.5%
10	10	Betaseron	Multiple sclerosis	2.2%

Caremark 2005 Book of Business data
Drugs ranked by gross cost in the Caremark BOB 2005.
Utilization Trend = 2005 Days Supply Per Member Per Month(PMPM) ÷ 2004 Days Supply PMPM

Trend by Industry

Industry	Gross Cost PMPY Trend
Banking and Financial Services	8.5%
Chemical Manufacturing	10.5%
Colleges and Universities	8.7%
Consumer Products	11.5%
Electrical Equipment and Appliance Manufacturing	10.7%
General Manufacturing	7.3%
Government	9.4%
Healthcare Services	8.5%
Hospitality/Entertainment	10.4%
Hospitals	6.7%
Media	10.7%
Managed Care	7.4%
Pharmaceutical and Medical Device Manufacturing	10.9%
Retail/Wholesale	8.6%
School Systems	6.3%
Technology and Telecommunications	6.9%
Transportation Equipment Manufacturing	8.4%
Transportation Services	10.2%
Union	8.6%
Utilities & Energy	7.3%

Caremark Book of Business data for selected categories; trend includes Specialty

Watch for the 2006 TrendsRx® Report for detailed analysis of 2005 and our forecasts for 2006.

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