

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## Express Scripts Inc. Q3 2008 Earnings Conference Call Transcript

### Question-and-Answer Session

---

Okay. [Operator Instructions]. Your first question comes from the line of John Kreger from William Blair.

**John Kreger - William Blair & Company**

Hi, thanks very much. Jeff, question about your additional detour on your guidance for next year. What sort of share buyback were you assuming behind the guidance?

**Jeffrey L. Hall - Vice President and Chief Financial Officer**

We don't like to typically guide for share buyback. But it's certainly within the guidance is the average buyback that we've been seeing in a year.

**John Kreger - William Blair & Company**

Okay, great. And then George, can you give us an update on as you discuss with your clients about plans for next year. Is the uptake, changing at all for the idea of a restricted pharmacy networks? And any additional comments on how the integrated retail PBM model is being accepted in the market?

**George Paz - Chairman, President and Chief Executive Officer**

I would tell you that clients now are faced with significant demands. We've seen over the last year, even going up to more recent downturn of the market to the first and second quarter that clients were concerned about the economic environment in which they operating, whether it be a U.S. company trying to compete globally, or just trying to deal with the rising cost of healthcare in their financials.

And clients need answers. Obviously, the better answers we can provide that cause the less... least levels of disruption, are the best answers for our client. We work hard on several fronts. Our sales and account management team work hard to provide alternatives and answers for our clients in order to drive down cost, and our product development people work hard. So that when those choices are made, that they can do it in a way that minimizes disruption.

With respect to narrowing networks, I would tell you as we go into 2009, everything's on the table, whether it's trying to drive mail order to generate the higher savings that we've seen mail or mail order provides. That's certainly something that clients are looking towards.

Generics, never go out of vogue, and those are very important measures as well. Specialty pharmacy, taking care of those high costs patients are extremely important and clearly from a period network perspective, a certain retailers aren't going to be competitive, or they're not going to try to

provide the incentives. Why should a plan be willing to cover a network when the goods that they sell are being covered by every other pharmacy out there. And so I think that plans will be looking to figure out ways to drive down costs and optimize our savings.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.