

***A COMPARATIVE
COST ANALYSIS FOR
MAIL ORDER PHARMACY OPERATIONS***

The Boyd Company, Inc.
Location Consultants
Princeton, NJ

TABLE OF CONTENTS

TABLE OF CONTENTS

COMPARATIVE OPERATING COST ANALYSIS: EXECUTIVE SUMMARY AND NOTES.....iv

INTRODUCTION..... 5

ABOUT BOYD 6

ABOUT THE MAIL ORDER PHARMACY INDUSTRY 6

COMPARATIVE MAIL ORDER PHARMACY LOCATIONS..... 6

COMPARATIVE ANNUAL LABOR COSTS8

COMPARATIVE ELECTRIC POWER AND NATURAL GAS COSTS..... 8

COMPARATIVE LAND, CONSTRUCTION AND AMORTIZATION COSTS..... 8

COMPARATIVE AD VALOREM AND SALES TAX COSTS 8

COMPARATIVE SPACE HEATING AND AIR CONDITIONING COSTS 9

COMPARATIVE CORPORATE TRAVEL COSTS..... 9

TOTAL ANNUAL OPERATING COST RANKINGS 9

ECONOMIC ANALYSIS: COMPARATIVE OPERATING COST EXHIBITS..... 11

COMPARATIVE OPERATING COST ANALYSIS: GROUP I12

EXHIBIT I: COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY..... 13

EXHIBIT II: COMPARATIVE ANNUAL LABOR COSTS 14

EXHIBIT III: COMPARATIVE ELECTRIC POWER COSTS 16

EXHIBIT IV: COMPARATIVE LAND, CONSTRUCTION AND AMORTIZATION COSTS 17

EXHIBIT V: COMPARATIVE AD VALOREM AND SALES TAX COSTS 18

EXHIBIT VI: COMPARATIVE SPACE HEATING AND AIR CONDITIONING COSTS 19

EXHIBIT VII: COMPARATIVE OUTBOUND SHIPPING COSTS..... 20

EXHIBIT VIII: COMPARATIVE CORPORATE TRAVEL COSTS 21

COMPARATIVE OPERATING COST ANALYSIS: GROUP II.....22

EXHIBIT I: COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY..... 23

EXHIBIT II: COMPARATIVE ANNUAL LABOR COSTS 24

EXHIBIT III: COMPARATIVE ELECTRIC POWER COSTS 26

EXHIBIT IV: COMPARATIVE LAND, CONSTRUCTION AND AMORTIZATION COSTS 27

EXHIBIT V: COMPARATIVE AD VALOREM AND SALES TAX COSTS 28

EXHIBIT VI: COMPARATIVE SPACE HEATING AND AIR CONDITIONING COSTS 29

EXHIBIT VII: COMPARATIVE OUTBOUND SHIPPING COSTS..... 30

EXHIBIT VIII: COMPARATIVE CORPORATE TRAVEL COSTS 31

COMPARATIVE OPERATING COST ANALYSIS: GROUP III32

EXHIBIT I: COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY..... 33

EXHIBIT II: COMPARATIVE ANNUAL LABOR COSTS 34

EXHIBIT III: COMPARATIVE ELECTRIC POWER COSTS 36

EXHIBIT IV: COMPARATIVE LAND, CONSTRUCTION AND AMORTIZATION COSTS 37

EXHIBIT V: COMPARATIVE AD VALOREM AND SALES TAX COSTS 38

EXHIBIT VI: COMPARATIVE SPACE HEATING AND AIR CONDITIONING COSTS 39

EXHIBIT VII: COMPARATIVE OUTBOUND SHIPPING COSTS..... 40

EXHIBIT VIII: COMPARATIVE CORPORATE TRAVEL COSTS 41

COMPARATIVE OPERATING
COST ANALYSIS:

EXECUTIVE SUMMARY AND NOTES

**COMPARATIVE OPERATING COST ANALYSIS:
EXECUTIVE SUMMARY AND NOTES**

Introduction

In the following Boyd analysis, major operating costs scaled to a representative 230-worker mail order pharmacy are presented for a series of 22 comparative sites in the U.S. Annual operating cost totals are ranked in summary Exhibit I.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The Boyd analysis focuses on those key geographically-variable cost elements considered to be most pivotal within the corporate site selection process.

Operating costs are scaled to a hypothetical 100,000 sq. ft. mail order pharmacy center processing 29.7 million scripts per year. The analysis provides an independent and authoritative point of reference for the corporate planner's assessment of comparative operating cost levels in each of the surveyed sites. The format of the cost exhibits will allow the corporate planner to further tailor the cost data, occupancy assumptions and staffing levels to reflect alternate scales of operation and market expectations.

About Boyd

Founded in 1975, The Boyd Company provides independent location counsel to leading U.S. and overseas corporations. Devoted exclusively to corporate mobility, Boyd clients include Time, Inc., PepsiCo, JP Morgan Chase, Aventis, Hewlett-Packard, Sun Life Financial, Stiefel Laboratories, Philips, and numerous other **FORTUNE 500** firms.

About the Mail Order Pharmacy Industry

A \$20 billion industry, mail order pharmacies service over 200 million Americans each year through health plans provided by employers, health insurers, labor unions, and Medicare.

Despite a slowed economy and the fallout from the credit crisis, mail order pharmacy is projected by The Boyd Company to be a growth sector within the healthcare services industry in 2009 and the years ahead. Soaring drug production costs, aging baby-boomers and government pressures to reduce healthcare costs will continue to support this growth trend. In Washington, the new Obama administration is expected to put forward landmark reforms to the U.S. health system, including major new initiatives in electronic medical records, health informatics and data security.

Comparative Mail Order Pharmacy Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected by Boyd for a series of 22 U.S. cities currently housing major mail order pharmacy operations of such companies as Express Scripts, CVS Caremark, Cigna, Medco, Prime Therapeutics, AmeriPharm, Aetna, Walgreens, Kaiser Permanente, Wellpoint and others. The analysis includes the location of the nation's

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

newest and largest automated pharmacy project, Medco's \$140 million facility in Whitestown, IN.

These 22 cities are:

- Troy, NY
- Willingboro, NJ
- Horsham, PA
- Wilkes-Barre, PA
- Pittsburgh, PA
- Cincinnati, OH
- Columbus, OH
- Whitestown, IN
- Birmingham, AL
- Tampa, FL
- Miramar, FL
- St. Louis, MO
- Kansas City, MO
- Omaha, NE
- Sioux Falls, SD
- Ft. Worth, TX
- Denver, CO
- Albuquerque, NM
- Phoenix, AZ
- Henderson, NV
- San Diego, CA
- Portland, OR

Comparative Labor Costs

Annual costs for labor, including positions in pharmacy, operations, shipping, customer service and other support groups, are presented in Exhibit II. Costs are based on a representative mix of job descriptions for the model 230-worker mail order pharmacy. The mix of job titles assumes 20 licensed pharmacists employed at the center. The actual ratio of licensed pharmacists to pharmacy technicians will vary by state board of pharmacy regulations.

Comparative labor costs for management were not included as these costs would tend not to vary significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked and company-sponsored benefits.

Comparative Electric Power and Natural Gas Costs

Comparative annual electric power and natural gas costs are presented in Exhibit III. Annual costs reflect commercial rate schedules of the various utilities and natural gas providers serving each of the 22 surveyed areas.

Comparative Land Acquisition and Construction Costs

Exhibit IV presents comparative costs for the purchase of commercially-zoned land and the construction of new mail order pharmacy center space in each of the 22 surveyed locations.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V presents comparative ad valorem (property) tax costs in each of the 22 surveyed sites scaled to the land and building specifications of the

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

model center. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, furnishings, equipment and other taxable goods.

Comparative Heating and Air Conditioning Costs

Exhibit VI presents comparative annual costs for heating and air conditioning based on variances in climatic conditions and energy costs in the surveyed locations.

Comparative Corporate Travel Costs

Comparative annual on-site corporate travel costs in each of the 22 surveyed cities are presented in Exhibit VIII. Costs include corporate traveler lodging, meals, local transportation and other business travel incidentals. Figures are indicative of local business travel cost structures expected to be incurred by management, technical support, regulators and other employee visitations to each of the 22 surveyed sites.

Total Annual Operating Cost Rankings

Taken from summary Exhibit I is an overall cost ranking of the 22 surveyed mail order pharmacy sites.

Mail Order Pharmacy Center Location	Total Annual Operating Costs
San Diego, CA	\$81,390,481
Horsham, PA	\$80,102,544
Miramar, FL	\$79,999,488
Willingboro, NJ	\$79,588,011
Phoenix, AZ	\$79,441,473
Henderson, NV	\$79,380,252
Denver, CO	\$79,316,035
Troy, NY	\$79,126,576
Pittsburgh, PA	\$78,959,485
Portland, OR	\$78,659,105
St. Louis, MO	\$78,552,050

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

Mail Order Pharmacy Center Location	Total Annual Operating Costs
Columbus, OH	\$78,292,417
Kansas City, MO	\$78,249,247
Wilkes-Barre, PA	\$78,237,012
Cincinnati, OH	\$78,020,557
Omaha, NE	\$77,893,549
Albuquerque, NM	\$77,761,288
Tampa, FL	\$77,624,514
Ft. Worth, TX	\$77,601,656
Whitestown, IN	\$77,430,349
Birmingham, AL	\$77,418,291
Sioux Falls, SD	\$76,485,088

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**ECONOMIC ANALYSIS: COMPARATIVE OPERATING
COST EXHIBITS**

COMPARATIVE OPERATING COST ANALYSIS I:

- **Troy, New York**
- **Willingboro, New Jersey**
- **Horsham, Pennsylvania**
- **Wilkes-Barre, Pennsylvania**
- **Pittsburgh, Pennsylvania**
- **Cincinnati, Ohio**
- **Columbus, Ohio**
- **Whitestown, Indiana**

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Labor (2)								
Weighted Average Annual Earnings	\$45,217	\$47,714	\$48,570	\$43,995	\$45,663	\$44,122	\$44,982	\$43,460
Annual Base Payroll Costs	\$10,399,910	\$10,974,220	\$11,171,100	\$10,118,850	\$10,502,490	\$10,148,060	\$10,345,860	\$9,995,800
Fringe Benefits	\$3,847,967	\$4,060,461	\$4,133,307	\$3,743,975	\$3,885,921	\$3,754,782	\$3,827,968	\$3,698,446
Total Annual Labor Costs	\$14,247,877	\$15,034,681	\$15,304,407	\$13,862,825	\$14,388,411	\$13,902,842	\$14,173,828	\$13,694,246
Electric Power Costs (3)	\$338,592	\$277,836	\$269,004	\$266,448	\$215,352	\$193,548	\$165,924	\$147,912
Natural Gas Power Costs (4)	\$10,058	\$10,253	\$13,598	\$13,598	\$13,598	\$10,725	\$10,725	\$12,555
Amortization Costs (5)	\$1,313,508	\$1,521,084	\$1,738,937	\$1,354,801	\$1,399,930	\$1,320,381	\$1,312,802	\$1,318,624
Property and Sales Tax Costs (6)	\$975,747	\$827,076	\$831,648	\$723,970	\$768,289	\$759,790	\$777,853	\$623,857
Heating and Air Conditioning Costs (7)	\$167,410	\$126,265	\$125,512	\$144,717	\$132,197	\$127,084	\$141,630	\$161,894
Shipping Costs (8)	\$61,827,942	\$61,575,030	\$61,575,030	\$61,680,366	\$61,808,934	\$61,495,302	\$61,495,302	\$61,290,174
Corporate Travel Costs (9)	\$245,442	\$215,786	\$244,408	\$190,287	\$232,774	\$210,885	\$214,353	\$181,087
Total Annual Geographically-Variable Operating Costs	\$79,126,576	\$79,588,011	\$80,102,544	\$78,237,012	\$78,959,485	\$78,020,557	\$78,292,417	\$77,430,349

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit III.
- (5) See Exhibit IV.
- (6) See Exhibit V.
- (7) See Exhibit VI.
- (8) See Exhibit VII.
- (9) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Pharmacy Group									
Business Planning Assistant	2	\$38,538	\$40,665	\$41,395	\$37,495	\$38,917	\$37,604	\$38,337	\$37,040
Business Planning Analyst	2	\$46,291	\$48,846	\$49,723	\$45,039	\$46,748	\$45,170	\$46,050	\$44,492
Certified Pharmacy Technician	12	\$31,248	\$32,973	\$33,566	\$30,403	\$31,557	\$30,492	\$31,086	\$30,035
Clinical Manager Health Plans (1)	6	\$111,527	\$117,684	\$119,796	\$108,512	\$112,626	\$108,824	\$110,947	\$107,192
Clinical Specialist - DUR Coding (1)	4	\$108,930	\$114,945	\$117,008	\$105,985	\$110,005	\$106,291	\$108,364	\$104,697
Inventory Support	4	\$33,146	\$34,976	\$35,604	\$32,250	\$33,473	\$32,343	\$32,974	\$31,858
Manager, Clinical Content & Coverage Appeals (1)	2	\$112,774	\$119,000	\$121,137	\$109,725	\$113,887	\$110,043	\$112,188	\$108,392
Order Entry Operator	14	\$19,474	\$20,549	\$20,918	\$18,948	\$19,667	\$19,002	\$19,373	\$18,717
Order Entry Technician	8	\$21,421	\$22,604	\$23,010	\$20,843	\$21,632	\$20,903	\$21,310	\$20,589
Pharmacy Support Doctor Call	4	\$31,781	\$33,536	\$34,138	\$30,922	\$32,094	\$31,011	\$31,616	\$30,546
Pharmacy Technician	24	\$27,107	\$28,603	\$29,116	\$26,373	\$27,374	\$26,449	\$26,965	\$26,052
Pharmacist Supervisor (1)	6	\$108,234	\$114,210	\$116,260	\$105,308	\$109,302	\$105,612	\$107,671	\$104,028
Prescription Drug Benefit Specialist	8	\$58,228	\$61,443	\$62,546	\$56,654	\$58,802	\$56,817	\$57,925	\$55,965
Purchasing Coordinator	4	\$69,558	\$73,398	\$74,716	\$67,677	\$70,244	\$67,872	\$69,196	\$66,854
Operations and Technology Group									
Data Entry Associate	14	\$26,774	\$28,252	\$28,759	\$26,050	\$27,038	\$26,125	\$26,635	\$25,733
Network Technician	4	\$55,679	\$58,753	\$59,807	\$54,173	\$56,228	\$54,330	\$55,389	\$53,515
QA Project Leader	2	\$92,000	\$97,080	\$98,822	\$89,513	\$92,908	\$89,772	\$91,522	\$88,425
Oracle Technical Specialist	4	\$67,144	\$70,850	\$72,123	\$65,328	\$67,806	\$65,517	\$66,794	\$64,534
Quality Assurance Systems Analyst	4	\$65,702	\$69,329	\$70,574	\$63,925	\$66,350	\$64,111	\$65,360	\$63,149
Senior Websphere Architect	2	\$93,234	\$98,382	\$100,148	\$90,714	\$94,154	\$90,976	\$92,750	\$89,611
Software Testing & Quality Assurance Manager	4	\$92,161	\$97,249	\$98,995	\$89,669	\$93,070	\$89,928	\$91,682	\$88,579
Senior C++ Programmer Analyst	4	\$90,700	\$95,708	\$97,427	\$88,249	\$91,596	\$88,504	\$90,230	\$87,176
Senior J2EE Applications Architect	4	\$76,460	\$80,682	\$82,130	\$74,394	\$77,214	\$74,608	\$76,062	\$73,489
Manager, CAOR Information Management	2	\$111,781	\$117,952	\$120,069	\$108,759	\$112,883	\$109,072	\$111,199	\$107,436
PBX Technician	2	\$51,224	\$54,052	\$55,023	\$49,839	\$51,729	\$49,983	\$50,958	\$49,233

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Shipping/Receiving Group									
Warehouse Associate	18	\$26,223	\$27,671	\$28,167	\$25,514	\$26,481	\$25,588	\$26,086	\$25,204
Maintenance Mechanic	2	\$37,373	\$39,437	\$40,144	\$36,363	\$37,742	\$36,467	\$37,179	\$35,920
Stock Clerk	6	\$27,269	\$28,775	\$29,291	\$26,532	\$27,538	\$26,609	\$27,128	\$26,210
Security	4	\$34,778	\$36,698	\$37,357	\$33,837	\$35,121	\$33,936	\$34,597	\$33,427
Inventory Control Clerk	4	\$38,127	\$40,231	\$40,954	\$37,096	\$38,503	\$37,203	\$37,928	\$36,645
Shipping/Mail Manifest Clerk	6	\$31,559	\$33,301	\$33,898	\$30,705	\$31,870	\$30,794	\$31,395	\$30,332
Safety Specialist	2	\$45,346	\$47,849	\$48,709	\$44,120	\$45,793	\$44,247	\$45,110	\$43,583
Call Center/Customer Service									
Customer Service Rep., Jr.	12	\$25,518	\$26,928	\$27,410	\$24,829	\$25,770	\$24,900	\$25,386	\$24,527
Customer Service Rep., Sr.	8	\$29,073	\$30,678	\$31,229	\$28,288	\$29,360	\$28,369	\$28,922	\$27,943
Call Center Pharmacist (1)	4	\$106,385	\$112,259	\$114,274	\$103,510	\$107,435	\$103,808	\$105,832	\$102,251
Monitor	4	\$26,846	\$28,329	\$28,838	\$26,121	\$27,112	\$26,197	\$26,707	\$25,804
Administrative/Clerical									
Administrative Assistant	3	\$34,609	\$36,520	\$37,175	\$33,673	\$34,950	\$33,770	\$34,429	\$33,263
Executive Administrative Assistant	2	\$47,111	\$49,713	\$50,605	\$45,838	\$47,576	\$45,970	\$46,866	\$45,280
Human Resources Associate	1	\$37,376	\$39,440	\$40,147	\$36,366	\$37,745	\$36,471	\$37,182	\$35,924
Human Resources Specialist	1	\$48,319	\$50,987	\$51,903	\$47,013	\$48,796	\$47,149	\$48,068	\$46,442
Medicare Administrative Assistant	2	\$36,339	\$38,344	\$39,033	\$35,356	\$36,697	\$35,458	\$36,150	\$34,926
Pharmacy Support	5	\$40,860	\$43,116	\$43,889	\$39,756	\$41,263	\$39,870	\$40,647	\$39,272
Total Workers	230								
Weighted Average Annual Earnings (2)		\$45,217	\$47,714	\$48,570	\$43,995	\$45,663	\$44,122	\$44,982	\$43,460
Total Annual Base Payroll Costs		\$10,399,910	\$10,974,220	\$11,171,100	\$10,118,850	\$10,502,490	\$10,148,060	\$10,345,860	\$9,995,800
Fringe Benefits (3)		\$3,847,967	\$4,060,461	\$4,133,307	\$3,743,975	\$3,885,921	\$3,754,782	\$3,827,968	\$3,698,446
Total Annual Labor Costs		\$14,247,877	\$15,034,681	\$15,304,407	\$13,862,825	\$14,388,411	\$13,902,842	\$14,173,828	\$13,694,246

NOTES:

- (1) These positions are staffed by licensed pharmacists. The actual ratio of licensed pharmacists to pharmacy technicians will vary by state board of pharmacy regulations.
- (2) For mature mail order pharmacy center in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources and Boyd BizCosts® placing the mail order pharmacy operator in a competitive recruiting position in each respective labor market. Job descriptions reflect a representative mix of key job functions for a hypothetical mail order pharmacy facility employing 230 workers.
- (3) Based on an estimated 37 percent of total annual base payroll costs. Costs include all statutory fringe benefits, pay for time not worked and company-sponsored benefits.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS (1)**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas Costs
Troy, NY	Niagara Mohawk	\$338,592	15.68	\$10,058	\$348,650
Willingboro, NJ	PSE&G	\$277,836	12.86	\$10,253	\$288,089
Horsham, PA	PECO Energy	\$269,004	12.45	\$13,598	\$282,602
Wilkes-Barre, PA	UGI Utilities	\$266,448	12.34	\$13,598	\$280,046
Pittsburgh, PA	Duquesne Light Company	\$215,352	9.97	\$13,598	\$228,950
Cincinnati, OH	Cincinnati Gas & Electric Company	\$193,548	8.96	\$10,725	\$204,273
Columbus, OH	AEP-Columbus Southern Power	\$165,924	7.68	\$10,725	\$176,649
Whitestown, IN	Duke Energy	\$147,912	6.85	\$12,555	\$160,467

NOTES:

- (1) Based on assumed monthly demand of 500 kW and 180,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed annual use of 7,500 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Site Acquisition: No. of Acres	25	25	25	25	25	25	25	25
Cost per Acre (1)	\$50,000	\$120,000	\$207,000	\$75,000	\$85,000	\$75,000	\$65,000	\$86,000
Site Improvement Cost (2)	--	--	--	--	--	--	--	--
Total Land Cost	\$1,250,000	\$3,000,000	\$5,175,000	\$1,875,000	\$2,125,000	\$1,875,000	\$1,625,000	\$2,150,000
Construction Cost (3)	\$11,276,199	\$12,453,939	\$13,351,614	\$11,233,624	\$11,620,135	\$10,748,140	\$10,891,254	\$10,448,361
Machinery and Equipment	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total Project Investment	\$18,526,199	\$21,453,939	\$24,526,614	\$19,108,624	\$19,745,135	\$18,623,140	\$18,516,254	\$18,598,361
Project Amortization								
Cost of Funds (Interest)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Payment Factor (4)	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709
Total Annual Amortization Cost	\$1,313,508	\$1,521,084	\$1,738,937	\$1,354,801	\$1,399,930	\$1,320,381	\$1,312,802	\$1,318,624

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 100,000 sq. ft. mail order pharmacy facility. Geographic differentials in building costs are based on latest Boyd BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.0 percent.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Real Property Tax Cost								
Land Cost (1)	\$1,250,000	\$3,000,000	\$5,175,000	\$1,875,000	\$2,125,000	\$1,875,000	\$1,625,000	\$2,150,000
Building Cost (2)	\$11,276,199	\$12,453,939	\$13,351,614	\$11,233,624	\$11,620,135	\$10,748,140	\$10,891,254	\$10,448,361
Total	\$12,526,199	\$15,453,939	\$18,526,614	\$13,108,624	\$13,745,135	\$12,623,140	\$12,516,254	\$12,598,361
Effective Tax Rate (3)	\$28.50	\$24.40	\$20.60	\$20.90	\$17.70	\$18.60	\$21.70	\$13.80
Real Property Tax Cost	\$356,997	\$377,076	\$381,648	\$273,970	\$243,289	\$234,790	\$271,603	\$173,857
Sales Tax Cost								
Taxable Goods Purchases	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Sales Tax Rate (Percent)	8.25	6.00	6.00	6.00	7.00	7.00	6.75	6.00
Total Annual Sales Tax Cost (4)	\$618,750	\$450,000	\$450,000	\$450,000	\$525,000	\$525,000	\$506,250	\$450,000
Total Annual Ad Valorem and Sales Tax Costs	\$975,747	\$827,076	\$831,648	\$723,970	\$768,289	\$759,790	\$777,853	\$623,857

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed metropolitan area.
- (4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Space Heating								
Heating Degree Days	6,888	4,904	4,865	5,904	5,278	4,844	5,702	5,577
Annual Cost (1)	\$156,475	\$109,086	\$112,862	\$136,427	\$122,783	\$114,855	\$135,273	\$155,105
Air Conditioning								
Cooling Degree Days	574	1,029	1,104	735	948	1,188	809	974
Annual Cost (2)	\$10,935	\$17,179	\$12,650	\$8,290	\$9,414	\$12,229	\$6,357	\$6,789
Total Heating and Air Conditioning Costs	\$167,410	\$126,265	\$125,512	\$144,717	\$132,197	\$127,084	\$141,630	\$161,894

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of a 100,000 sq. ft. mail order pharmacy facility.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes air conditioning of a 100,000 sq. ft. mail order pharmacy facility.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT VII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination (2)	Annual Shipments (1,000 Scripts)	Troy NY	Willingboro NJ	Horsham PA	Wilkes-Barre PA	Pittsburgh PA	Cincinnati OH	Columbus OH	Whitestown IN
Summit, NJ	3,300	\$6,317,454	\$6,317,454	\$6,317,454	\$6,317,454	\$6,712,662	\$6,712,662	\$6,712,662	\$6,817,998
Gainesville, GA	3,300	\$6,817,998	\$6,712,662	\$6,712,662	\$6,817,998	\$6,712,662	\$6,712,662	\$6,712,662	\$6,712,662
Lakeland, FL	3,300	\$6,909,606	\$6,817,998	\$6,817,998	\$6,817,998	\$6,817,998	\$6,817,998	\$6,817,998	\$6,817,998
Chicago, IL	3,300	\$6,817,998	\$6,817,998	\$6,817,998	\$6,817,998	\$6,712,662	\$6,490,638	\$6,490,638	\$6,317,454
Dallas, TX	3,300	\$6,965,574	\$6,909,606	\$6,909,606	\$6,909,606	\$6,909,606	\$6,817,998	\$6,817,998	\$6,817,998
Denver, CO	3,300	\$6,965,574	\$6,965,574	\$6,965,574	\$6,965,574	\$6,909,606	\$6,909,606	\$6,909,606	\$6,817,998
Tacoma, WA	3,300	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246
Alhambra, CA	3,300	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$6,965,574
Oakland, CA	3,300	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246
Totals (3)	29,700	\$61,827,942	\$61,575,030	\$61,575,030	\$61,680,366	\$61,808,934	\$61,495,302	\$61,495,302	\$61,290,174

NOTES:

- (1) Reflects estimated annual shipping costs for the hypothetical mail order pharmacy serving a national market. Costs assume no international shipments and all domestic shipments are to residential addressee locations.
- (2) The destination cities are proxy locations for serving a nationwide consumer market for mail order pharmacy drugs. These nine cities represent the optimum configuration of center-of-market locations for serving this national market.
- (3) Total annual costs are based on shipping a representative script with an average total package weight of 5.8 ounces (164.4 grams). Shipping methods assume discounted USPS first class mail and a limited use (under 2 percent) of expedited next day service provided by UPS. USPS costs reflect postal rates that went into effect May 12, 2008 for first class mail commercial parcels in 3-digit and ADC sacks. UPS costs reflect next day Air Saver® rates and include fuel surcharges. A high volume discount of 20 percent is assumed; however, actual UPS discounts would be negotiated by the individual mail order pharmacy.

**EXHIBIT VIII
COMPARATIVE ANNUAL ON-SITE CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual CorporateTravel Cost
Troy, NY	\$363.08	676	\$245,442
Willingboro, NJ	\$319.21	676	\$215,786
Horsham, PA	\$361.55	676	\$244,408
Wilkes-Barre, PA	\$281.49	676	\$190,287
Pittsburgh, PA	\$344.34	676	\$232,774
Cincinnati, OH	\$311.96	676	\$210,885
Columbus, OH	\$317.09	676	\$214,353
Whitestown, IN	\$267.88	676	\$181,087

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 13 billable per diem travel days per week at each of the destination locations.

COMPARATIVE OPERATING COST ANALYSIS II:

- **Birmingham, Alabama**
- **Tampa, Florida**
- **Miramar, Florida**
- **St. Louis, Missouri**
- **Kansas City, Missouri**
- **Omaha, Nebraska**
- **Sioux Falls, South Dakota**

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Labor (2)							
Weighted Average Annual Earnings	\$42,706	\$42,956	\$44,471	\$45,495	\$44,039	\$42,925	\$39,754
Annual Base Payroll Costs	\$9,822,380	\$9,879,880	\$10,228,330	\$10,463,850	\$10,128,970	\$9,872,750	\$9,143,420
Fringe Benefits	\$3,634,281	\$3,655,556	\$3,784,482	\$3,871,625	\$3,747,719	\$3,652,918	\$3,383,065
Total Annual Labor Costs	\$13,456,661	\$13,535,436	\$14,012,812	\$14,335,475	\$13,876,689	\$13,525,668	\$12,526,485
Electric Power Costs (3)	\$225,216	\$204,504	\$202,632	\$116,520	\$135,384	\$155,460	\$150,360
Natural Gas Power Costs (4)	\$13,470	\$11,955	\$11,955	\$11,723	\$11,723	\$9,713	\$9,683
Amortization Costs (5)	\$1,304,151	\$1,391,466	\$2,394,747	\$1,640,706	\$1,455,987	\$1,502,036	\$1,200,793
Property and Sales Tax Costs (6)	\$800,182	\$733,474	\$1,055,526	\$862,899	\$805,772	\$884,891	\$679,665
Heating and Air Conditioning Costs (7)	\$72,240	\$57,584	\$60,496	\$119,981	\$133,105	\$111,482	\$148,385
Shipping Costs (8)	\$61,344,294	\$61,483,422	\$62,036,766	\$61,266,678	\$61,615,950	\$61,504,014	\$61,609,350
Corporate Travel Costs (9)	\$202,077	\$206,673	\$224,554	\$198,068	\$214,637	\$200,285	\$160,367
Total Annual Geographically-Variable Operating Costs	\$77,418,291	\$77,624,514	\$79,999,488	\$78,552,050	\$78,249,247	\$77,893,549	\$76,485,088

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit III.
- (5) See Exhibit IV.
- (6) See Exhibit V.
- (7) See Exhibit VI.
- (8) See Exhibit VII.
- (9) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Pharmacy Group								
Business Planning Assistant	2	\$36,397	\$36,610	\$37,901	\$38,774	\$37,533	\$36,583	\$33,881
Business Planning Analyst	2	\$43,719	\$43,976	\$45,526	\$46,575	\$45,084	\$43,944	\$40,698
Certified Pharmacy Technician	12	\$29,513	\$29,686	\$30,732	\$31,440	\$30,434	\$29,664	\$27,473
Clinical Manager Health Plans (1)	6	\$105,331	\$105,949	\$109,686	\$112,212	\$108,621	\$105,871	\$98,053
Clinical Specialist - DUR Coding (1)	4	\$102,879	\$103,482	\$107,132	\$109,600	\$106,092	\$103,407	\$95,770
Inventory Support	4	\$31,305	\$31,488	\$32,600	\$33,350	\$32,283	\$31,465	\$29,141
Manager, Clinical Content & Coverage Appeals (1)	2	\$106,510	\$107,134	\$110,912	\$113,468	\$109,836	\$107,056	\$99,149
Order Entry Operator	14	\$18,393	\$18,500	\$19,153	\$19,594	\$18,967	\$18,487	\$17,121
Order Entry Technician	8	\$20,231	\$20,350	\$21,068	\$21,553	\$20,863	\$20,335	\$18,833
Pharmacy Support Doctor Call	4	\$30,017	\$30,191	\$31,256	\$31,977	\$30,953	\$30,170	\$27,941
Pharmacy Technician	24	\$25,601	\$25,750	\$26,658	\$27,273	\$26,400	\$25,732	\$23,831
Pharmacist Supervisor (1)	6	\$102,222	\$102,821	\$106,447	\$108,899	\$105,414	\$102,746	\$95,158
Prescription Drug Benefit Specialist	8	\$54,994	\$55,315	\$57,267	\$58,586	\$56,711	\$55,275	\$51,193
Purchasing Coordinator	4	\$65,693	\$66,079	\$68,410	\$69,985	\$67,745	\$66,031	\$61,154
Operations and Technology Group								
Data Entry Associate	14	\$25,287	\$25,435	\$26,332	\$26,938	\$26,076	\$25,416	\$23,540
Network Technician	4	\$52,586	\$52,894	\$54,759	\$56,020	\$54,227	\$52,855	\$48,952
QA Project Leader	2	\$86,889	\$87,399	\$90,481	\$92,566	\$89,603	\$87,335	\$80,885
Oracle Technical Specialist	4	\$63,413	\$63,785	\$66,035	\$67,556	\$65,394	\$63,739	\$59,030
Quality Assurance Systems Analyst	4	\$62,052	\$62,416	\$64,617	\$66,106	\$63,990	\$62,370	\$57,765
Senior Websphere Architect	2	\$88,056	\$88,572	\$91,696	\$93,807	\$90,806	\$88,508	\$81,970
Software Testing & Quality Assurance Manager	4	\$87,041	\$87,552	\$90,640	\$92,727	\$89,760	\$87,488	\$81,027
Senior C++ Programmer Analyst	4	\$85,663	\$86,165	\$89,203	\$91,258	\$88,337	\$86,102	\$79,743
Senior J2EE Applications Architect	4	\$72,212	\$72,636	\$75,198	\$76,930	\$74,468	\$72,583	\$67,222
Manager, CAOR Information Management	2	\$105,571	\$106,190	\$109,935	\$112,467	\$108,868	\$106,113	\$98,276
PBX Technician	2	\$48,379	\$48,662	\$50,378	\$51,539	\$49,889	\$48,627	\$45,035

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Shipping/Receiving Group								
Warehouse Associate	18	\$24,765	\$24,912	\$25,790	\$26,384	\$25,540	\$24,893	\$23,055
Maintenance Mechanic	2	\$35,297	\$35,504	\$36,756	\$37,602	\$36,399	\$35,478	\$32,858
Stock Clerk	6	\$25,755	\$25,906	\$26,819	\$27,437	\$26,559	\$25,886	\$23,975
Security	4	\$32,847	\$33,038	\$34,203	\$34,991	\$33,871	\$33,014	\$30,576
Inventory Control Clerk	4	\$36,009	\$36,220	\$37,497	\$38,361	\$37,133	\$36,194	\$33,520
Shipping/Mail Manifest Clerk	6	\$29,806	\$29,980	\$31,038	\$31,753	\$30,737	\$29,959	\$27,746
Safety Specialist	2	\$42,827	\$43,078	\$44,597	\$45,625	\$44,164	\$43,047	\$39,867
Call Center/Customer Service								
Customer Service Rep., Jr.	12	\$24,101	\$24,242	\$25,097	\$25,675	\$24,853	\$24,225	\$22,436
Customer Service Rep., Sr.	8	\$27,458	\$27,619	\$28,593	\$29,252	\$28,315	\$27,599	\$25,561
Call Center Pharmacist (1)	4	\$100,475	\$101,065	\$104,628	\$107,039	\$103,613	\$100,991	\$93,532
Monitor	4	\$25,356	\$25,504	\$26,404	\$27,012	\$26,148	\$25,486	\$23,603
Administrative/Clerical								
Administrative Assistant	3	\$32,686	\$32,878	\$34,037	\$34,821	\$33,707	\$32,853	\$30,428
Executive Administrative Assistant	2	\$44,494	\$44,755	\$46,334	\$47,400	\$45,884	\$44,723	\$41,419
Human Resources Associate	1	\$35,300	\$35,507	\$36,759	\$37,606	\$36,402	\$35,481	\$32,861
Human Resources Specialist	1	\$45,636	\$45,903	\$47,522	\$48,616	\$47,061	\$45,870	\$42,481
Medicare Administrative Assistant	2	\$34,321	\$34,520	\$35,738	\$36,562	\$35,391	\$34,495	\$31,948
Pharmacy Support	5	\$38,589	\$38,817	\$40,185	\$41,111	\$39,795	\$38,788	\$35,923
Total Workers	230							
Weighted Average Annual Earnings (2)		\$42,706	\$42,956	\$44,471	\$45,495	\$44,039	\$42,925	\$39,754
Total Annual Base Payroll Costs		\$9,822,380	\$9,879,880	\$10,228,330	\$10,463,850	\$10,128,970	\$9,872,750	\$9,143,420
Fringe Benefits (3)		\$3,634,281	\$3,655,556	\$3,784,482	\$3,871,625	\$3,747,719	\$3,652,918	\$3,383,065
Total Annual Labor Costs		\$13,456,661	\$13,535,436	\$14,012,812	\$14,335,475	\$13,876,689	\$13,525,668	\$12,526,485

NOTES:

- (1) These positions are staffed by licensed pharmacists. The actual ratio of licensed pharmacists to pharmacy technicians will vary by state board of pharmacy regulations.
- (2) For mature mail order pharmacy center in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources and Boyd BizCosts® placing the mail order pharmacy operator in a competitive recruiting position in each respective labor market. Job descriptions reflect a representative mix of key job functions for a hypothetical mail order pharmacy facility employing 230 workers.
- (3) Based on an estimated 37 percent of total annual base payroll costs. Costs include all statutory fringe benefits, pay for time not worked and company-sponsored benefits.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS ⁽¹⁾**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas Costs
Birmingham, AL	Alabama Power Company	\$225,216	10.43	\$13,470	\$238,686
Tampa, FL	Tampa Electric Company	\$204,504	9.47	\$11,955	\$216,459
Miramar, FL	Florida Power and Light	\$202,632	9.38	\$11,955	\$214,587
St. Louis, MO	AmerenUE	\$116,520	5.39	\$11,723	\$128,243
Kansas City, MO	Kansas City Power and Light	\$135,384	6.27	\$11,723	\$147,107
Omaha, NE	Omaha Public Power District	\$155,460	7.20	\$9,713	\$165,173
Sioux Falls, SD	Xcel Energy	\$150,360	6.96	\$9,683	\$160,043

NOTES:

- (1) Based on assumed monthly demand of 500 kW and 180,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed annual use of 7,500 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Site Acquisition: No. of Acres	25	25	25	25	25	25	25
Cost per Acre (1)	\$110,000	\$158,000	\$725,000	\$211,444	\$133,800	\$208,500	\$85,000
Site Improvement Cost (2)	--	--	--	--	--	--	--
Total Land Cost	\$2,750,000	\$3,950,000	\$18,125,000	\$5,286,100	\$3,345,000	\$5,212,500	\$2,125,000
Construction Cost (3)	\$9,644,227	\$9,675,758	\$9,651,407	\$11,855,033	\$11,190,780	\$9,972,780	\$8,811,432
Machinery and Equipment	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total Project Investment	\$18,394,227	\$19,625,758	\$33,776,407	\$23,141,133	\$20,535,780	\$21,185,280	\$16,936,432
Project Amortization							
Cost of Funds (Interest)	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Payment Factor (4)	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709
Total Annual Amortization Cost	\$1,304,151	\$1,391,466	\$2,394,747	\$1,640,706	\$1,455,987	\$1,502,036	\$1,200,793

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 100,000 sq. ft. mail order pharmacy facility. Geographic differentials in building costs are based on latest Boyd BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.0 percent.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Real Property Tax Cost							
Land Cost (1)	\$2,750,000	\$3,950,000	\$18,125,000	\$5,286,100	\$3,345,000	\$5,212,500	\$2,125,000
Building Cost (2)	\$9,644,227	\$9,675,758	\$9,651,407	\$11,855,033	\$11,190,780	\$9,972,780	\$8,811,432
Total	\$12,394,227	\$13,625,758	\$27,776,407	\$17,141,133	\$14,535,780	\$15,185,280	\$10,936,432
Effective Tax Rate (3)	\$10.10	\$15.30	\$21.80	\$17.00	\$17.51	\$23.70	\$21.00
Real Property Tax Cost	\$125,182	\$208,474	\$605,526	\$291,399	\$254,522	\$359,891	\$229,665
Sales Tax Cost							
Taxable Goods Purchases	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Sales Tax Rate (Percent)	9.00	7.00	6.00	7.62	7.35	7.00	6.00
Total Annual Sales Tax Cost (4)	\$675,000	\$525,000	\$450,000	\$571,500	\$551,250	\$525,000	\$450,000
Total Annual Ad Valorem and Sales Tax Costs	\$800,182	\$733,474	\$1,055,526	\$862,899	\$805,772	\$884,891	\$679,665

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed metropolitan area.
- (4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Space Heating							
Heating Degree Days	2,844	718	206	4,750	5,357	6,049	7,838
Annual Cost (1)	\$51,777	\$16,287	\$4,619	\$109,899	\$123,900	\$100,296	\$141,750
Air Conditioning							
Cooling Degree Days	1,928	3,366	4,038	1,475	1,285	1,173	719
Annual Cost (2)	\$20,463	\$41,297	\$55,877	\$10,082	\$9,205	\$11,186	\$6,635
Total Heating and Air Conditioning Costs	\$72,240	\$57,584	\$60,496	\$119,981	\$133,105	\$111,482	\$148,385

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of a 100,000 sq. ft. mail order pharmacy facility.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes air conditioning of a 100,000 sq. ft. mail order pharmacy facility.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT VII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination (2)	Annual Shipments (1,000 Scripts)	Birmingham AL	Tampa FL	Miramar FL	St. Louis MO	Kansas City MO	Omaha NE	Sioux Falls SD
Summit, NJ	3,300	\$6,817,998	\$6,817,998	\$6,909,606	\$6,817,998	\$6,909,606	\$6,909,606	\$6,909,606
Gainesville, GA	3,300	\$6,490,638	\$6,712,662	\$6,817,998	\$6,712,662	\$6,817,998	\$6,817,998	\$6,817,998
Lakeland, FL	3,300	\$6,712,662	\$6,317,454	\$6,490,638	\$6,817,998	\$6,909,606	\$6,909,606	\$6,909,606
Chicago, IL	3,300	\$6,712,662	\$6,817,998	\$6,909,606	\$6,490,638	\$6,712,662	\$6,712,662	\$6,712,662
Dallas, TX	3,300	\$6,712,662	\$6,817,998	\$6,909,606	\$6,712,662	\$6,712,662	\$6,712,662	\$6,817,998
Denver, CO	3,300	\$6,909,606	\$6,965,574	\$6,965,574	\$6,817,998	\$6,712,662	\$6,712,662	\$6,712,662
Tacoma, WA	3,300	\$7,011,246	\$7,011,246	\$7,011,246	\$6,965,574	\$6,965,574	\$6,909,606	\$6,909,606
Alhambra, CA	3,300	\$6,965,574	\$7,011,246	\$7,011,246	\$6,965,574	\$6,909,606	\$6,909,606	\$6,909,606
Oakland, CA	3,300	\$7,011,246	\$7,011,246	\$7,011,246	\$6,965,574	\$6,965,574	\$6,909,606	\$6,909,606
Totals (3)	29,700	\$61,344,294	\$61,483,422	\$62,036,766	\$61,266,678	\$61,615,950	\$61,504,014	\$61,609,350

NOTES:

- (1) Reflects estimated annual shipping costs for the hypothetical mail order pharmacy serving a national market. Costs assume no international shipments and all domestic shipments are to residential addressee locations.
- (2) The destination cities are proxy locations for serving a nationwide consumer market for mail order pharmacy drugs. These nine cities represent the optimum configuration of center-of-market locations for serving this national market.
- (3) Total annual costs are based on shipping a representative script with an average total package weight of 5.8 ounces (164.4 grams). Shipping methods assume discounted USPS first class mail and a limited use (under 2 percent) of expedited next day service provided by UPS. USPS costs reflect postal rates that went into effect May 12, 2008 for first class mail commercial parcels in 3-digit and ADC sacks. UPS costs reflect next day Air Saver® rates and include fuel surcharges. A high volume discount of 20 percent is assumed; however, actual UPS discounts would be negotiated by the individual mail order pharmacy.

**EXHIBIT VIII
COMPARATIVE ANNUAL ON-SITE CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Corporate Travel Cost
Birmingham, AL	\$298.93	676	\$202,077
Tampa, FL	\$305.73	676	\$206,673
Miramar, FL	\$332.18	676	\$224,554
St. Louis, MO	\$293.00	676	\$198,068
Kansas City, MO	\$317.51	676	\$214,637
Omaha, NE	\$296.28	676	\$200,285
Sioux Falls, SD	\$237.23	676	\$160,367

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 13 billable per diem travel days per week at each of the destination locations.

COMPARATIVE OPERATING COST ANALYSIS III:

- **Ft. Worth, Texas**
- **Denver, Colorado**
- **Albuquerque, New Mexico**
- **Phoenix, Arizona**
- **Henderson, Nevada**
- **San Diego, California**
- **Portland, Oregon**

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Labor (2)							
Weighted Average Annual Earnings	\$43,241	\$47,590	\$42,185	\$45,108	\$44,430	\$49,518	\$46,117
Annual Base Payroll Costs	\$9,945,430	\$10,945,700	\$9,702,550	\$10,374,840	\$10,218,900	\$11,389,140	\$10,606,910
Fringe Benefits	\$3,679,809	\$4,049,909	\$3,589,944	\$3,838,691	\$3,780,993	\$4,213,982	\$3,924,557
Total Annual Labor Costs	\$13,625,239	\$14,995,609	\$13,292,494	\$14,213,531	\$13,999,893	\$15,603,122	\$14,531,467
Electric Power Costs (3)	\$173,112	\$152,004	\$137,088	\$177,888	\$209,376	\$283,500	\$163,656
Natural Gas Power Costs (4)	\$8,933	\$8,618	\$11,168	\$9,953	\$8,760	\$9,975	\$8,873
Amortization Costs (5)	\$1,256,621	\$1,460,803	\$1,577,841	\$1,767,811	\$2,326,685	\$2,627,943	\$1,685,328
Property and Sales Tax Costs (6)	\$871,985	\$1,093,959	\$718,977	\$1,058,126	\$836,028	\$926,077	\$293,213
Heating and Air Conditioning Costs (7)	\$102,217	\$143,323	\$114,222	\$75,671	\$89,902	\$43,176	\$115,899
Shipping Costs (8)	\$61,339,806	\$61,248,198	\$61,721,286	\$61,924,566	\$61,702,542	\$61,666,638	\$61,630,998
Corporate Travel Costs (9)	\$223,743	\$213,521	\$188,212	\$213,927	\$207,066	\$230,050	\$229,671
Total Annual Geographically-Variable Operating Costs	\$77,601,656	\$79,316,035	\$77,761,288	\$79,441,473	\$79,380,252	\$81,390,481	\$78,659,105

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit III.
- (5) See Exhibit IV.
- (6) See Exhibit V.
- (7) See Exhibit VI.
- (8) See Exhibit VII.
- (9) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Pharmacy Group								
Business Planning Assistant	2	\$36,853	\$40,559	\$35,953	\$38,445	\$37,867	\$42,202	\$39,304
Business Planning Analyst	2	\$44,267	\$48,720	\$43,186	\$46,179	\$45,485	\$50,694	\$47,212
Certified Pharmacy Technician	12	\$29,882	\$32,888	\$29,152	\$31,173	\$30,704	\$34,221	\$31,870
Clinical Manager Health Plans (1)	6	\$106,652	\$117,379	\$104,048	\$111,256	\$109,585	\$122,135	\$113,745
Clinical Specialist - DUR Coding (1)	4	\$104,169	\$114,646	\$101,625	\$108,667	\$107,034	\$119,292	\$111,097
Inventory Support	4	\$31,697	\$34,885	\$30,924	\$33,066	\$32,569	\$36,298	\$33,805
Manager, Clinical Content & Coverage Appeals (1)	2	\$107,845	\$118,692	\$105,211	\$112,502	\$110,811	\$123,502	\$115,018
Order Entry Operator	14	\$18,622	\$20,496	\$18,168	\$19,427	\$19,135	\$21,326	\$19,862
Order Entry Technician	8	\$20,485	\$22,546	\$19,985	\$21,369	\$21,048	\$23,459	\$21,847
Pharmacy Support Doctor Call	4	\$30,392	\$33,449	\$29,650	\$31,704	\$31,228	\$34,805	\$32,414
Pharmacy Technician	24	\$25,921	\$28,529	\$25,289	\$27,041	\$26,634	\$29,685	\$27,645
Pharmacist Supervisor (1)	6	\$103,504	\$113,914	\$100,976	\$107,973	\$106,350	\$118,529	\$110,387
Prescription Drug Benefit Specialist	8	\$55,683	\$61,283	\$54,323	\$58,087	\$57,214	\$63,766	\$59,386
Purchasing Coordinator	4	\$66,517	\$73,207	\$64,893	\$69,390	\$68,347	\$76,174	\$70,942
Operations and Technology Group								
Data Entry Associate	14	\$25,604	\$28,179	\$24,979	\$26,709	\$26,308	\$29,320	\$27,306
Network Technician	4	\$53,245	\$58,600	\$51,945	\$55,544	\$54,709	\$60,974	\$56,786
QA Project Leader	2	\$87,980	\$96,827	\$85,830	\$91,778	\$90,399	\$100,750	\$93,830
Oracle Technical Specialist	4	\$64,208	\$70,666	\$62,640	\$66,981	\$65,974	\$73,530	\$68,479
Quality Assurance Systems Analyst	4	\$62,830	\$69,150	\$61,296	\$65,543	\$64,558	\$71,951	\$67,009
Senior Websphere Architect	2	\$89,160	\$98,127	\$86,981	\$93,009	\$91,611	\$102,102	\$95,089
Software Testing & Quality Assurance Manager	4	\$88,133	\$96,997	\$85,980	\$91,939	\$90,557	\$100,928	\$93,994
Senior C++ Programmer Analyst	4	\$86,736	\$95,460	\$84,619	\$90,481	\$89,122	\$99,329	\$92,505
Senior J2EE Applications Architect	4	\$73,119	\$80,472	\$71,333	\$76,276	\$75,129	\$83,733	\$77,981
Manager, CAOR Information Management	2	\$106,894	\$117,646	\$104,284	\$111,510	\$109,835	\$122,414	\$114,004
PBX Technician	2	\$48,985	\$53,912	\$47,789	\$51,100	\$50,332	\$56,096	\$52,242

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Shipping/Receiving Group								
Warehouse Associate	18	\$25,076	\$27,599	\$24,465	\$26,160	\$25,766	\$28,716	\$26,745
Maintenance Mechanic	2	\$35,740	\$39,334	\$34,867	\$37,283	\$36,722	\$40,928	\$38,116
Stock Clerk	6	\$26,078	\$28,700	\$25,440	\$27,203	\$26,794	\$29,862	\$27,812
Security	4	\$33,258	\$36,603	\$32,445	\$34,693	\$34,172	\$38,086	\$35,469
Inventory Control Clerk	4	\$36,460	\$40,128	\$35,570	\$38,035	\$37,463	\$41,753	\$38,885
Shipping/Mail Manifest Clerk	6	\$30,179	\$33,214	\$29,443	\$31,482	\$31,009	\$34,560	\$32,186
Safety Specialist	2	\$43,364	\$47,725	\$42,305	\$45,237	\$44,556	\$49,659	\$46,248
Call Center/Customer Service								
Customer Service Rep., Jr.	12	\$24,403	\$26,857	\$23,807	\$25,456	\$25,074	\$27,947	\$26,026
Customer Service Rep., Sr.	8	\$27,803	\$30,598	\$27,123	\$29,003	\$28,567	\$31,839	\$29,651
Call Center Pharmacist (1)	4	\$101,735	\$111,967	\$99,251	\$106,128	\$104,533	\$116,505	\$108,501
Monitor	4	\$25,674	\$28,256	\$25,047	\$26,782	\$26,380	\$29,400	\$27,381
Administrative/Clerical								
Administrative Assistant	3	\$33,096	\$36,425	\$32,287	\$34,525	\$34,006	\$37,900	\$35,297
Executive Administrative Assistant	2	\$45,052	\$49,583	\$43,952	\$46,997	\$46,291	\$51,592	\$48,048
Human Resources Associate	1	\$35,743	\$39,338	\$34,870	\$37,286	\$36,726	\$40,931	\$38,119
Human Resources Specialist	1	\$46,208	\$50,855	\$45,079	\$48,203	\$47,478	\$52,916	\$49,280
Medicare Administrative Assistant	2	\$34,750	\$38,245	\$33,901	\$36,251	\$35,706	\$39,795	\$37,061
Pharmacy Support	5	\$39,074	\$43,004	\$38,119	\$40,761	\$40,149	\$44,746	\$41,673
Total Workers	230							
Weighted Average Annual Earnings (2)		\$43,241	\$47,590	\$42,185	\$45,108	\$44,430	\$49,518	\$46,117
Total Annual Base Payroll Costs		\$9,945,430	\$10,945,700	\$9,702,550	\$10,374,840	\$10,218,900	\$11,389,140	\$10,606,910
Fringe Benefits (3)		\$3,679,809	\$4,049,909	\$3,589,944	\$3,838,691	\$3,780,993	\$4,213,982	\$3,924,557
Total Annual Labor Costs		\$13,625,239	\$14,995,609	\$13,292,494	\$14,213,531	\$13,999,893	\$15,603,122	\$14,531,467

NOTES:

- (1) These positions are staffed by licensed pharmacists. The actual ratio of licensed pharmacists to pharmacy technicians will vary by state board of pharmacy regulations.
- (2) For mature mail order pharmacy center in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources and Boyd BizCosts® placing the mail order pharmacy operator in a competitive recruiting position in each respective labor market. Job descriptions reflect a representative mix of key job functions for a hypothetical mail order pharmacy facility employing 230 workers.
- (3) Based on an estimated 37 percent of total annual base payroll costs. Costs include all statutory fringe benefits, pay for time not worked and company-sponsored benefits.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS (1)**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas Costs
Ft. Worth, TX	TXU Electric Delivery	\$173,112	8.01	\$8,933	\$182,045
Denver, CO	Public Service Company of Colorado	\$152,004	7.04	\$8,618	\$160,622
Albuquerque, NM	PNM	\$137,088	6.35	\$11,168	\$148,256
Phoenix, AZ	Arizona Public Service Company	\$177,888	8.24	\$9,953	\$187,841
Henderson, NV	Nevada Power Company	\$209,376	9.69	\$8,760	\$218,136
San Diego, CA	San Diego Gas & Electric	\$283,500	13.13	\$9,975	\$293,475
Portland, OR	Portland General Electric	\$163,656	7.58	\$8,873	\$172,529

NOTES:

- (1) Based on assumed monthly demand of 500 kW and 180,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed annual use of 7,500 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Site Acquisition: No. of Acres	25	25	25	25	25	25	25
Cost per Acre (1)	\$112,000	\$141,889	\$230,000	\$365,000	\$612,000	\$748,000	\$220,000
Site Improvement Cost (2)	--	--	--	--	--	--	--
Total Land Cost	\$2,800,000	\$3,547,225	\$5,750,000	\$9,125,000	\$15,300,000	\$18,700,000	\$5,500,000
Construction Cost (3)	\$8,923,850	\$11,056,490	\$10,504,455	\$9,808,862	\$11,516,436	\$12,365,487	\$12,270,489
Machinery and Equipment	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total Project Investment	\$17,723,850	\$20,603,715	\$22,254,455	\$24,933,862	\$32,816,436	\$37,065,487	\$23,770,489
Project Amortization							
Cost of Funds (Interest)	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Payment Factor (4)	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709	0.0709
Total Annual Amortization Cost	\$1,256,621	\$1,460,803	\$1,577,841	\$1,767,811	\$2,326,685	\$2,627,943	\$1,685,328

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 100,000 sq. ft. mail order pharmacy facility. Geographic differentials in building costs are based on latest Boyd BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.0 percent.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Real Property Tax Cost							
Land Cost (1)	\$2,800,000	\$3,547,225	\$5,750,000	\$9,125,000	\$15,300,000	\$18,700,000	\$5,500,000
Building Cost (2)	\$8,923,850	\$11,056,490	\$10,504,455	\$9,808,862	\$11,516,436	\$12,365,487	\$12,270,489
Total	\$11,723,850	\$14,603,715	\$16,254,455	\$18,933,862	\$26,816,436	\$31,065,487	\$17,770,489
Effective Tax Rate (3)	\$21.60	\$34.80	\$17.24	\$23.80	\$10.20	\$11.10	\$16.50
Real Property Tax Cost	\$253,235	\$508,209	\$280,227	\$450,626	\$273,528	\$344,827	\$293,213
Sales Tax Cost							
Taxable Goods Purchases	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Sales Tax Rate (Percent)	8.25	7.81	5.85	8.10	7.50	7.75	0.00
Total Annual Sales Tax Cost (4)	\$618,750	\$585,750	\$438,750	\$607,500	\$562,500	\$581,250	--
Total Annual Ad Valorem and Sales Tax Costs	\$871,985	\$1,093,959	\$718,977	\$1,058,126	\$836,028	\$926,077	\$293,213

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed metropolitan area.
- (4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Space Heating							
Heating Degree Days	2,382	6,016	4,292	1,552	2,601	1,507	4,792
Annual Cost (1)	\$53,372	\$132,800	\$99,219	\$35,966	\$60,771	\$35,732	\$113,578
Air Conditioning							
Cooling Degree Days	2,587	625	1,316	3,508	2,946	722	300
Annual Cost (2)	\$48,845	\$10,523	\$15,003	\$39,705	\$29,131	\$7,444	\$2,321
Total Heating and Air Conditioning Costs	\$102,217	\$143,323	\$114,222	\$75,671	\$89,902	\$43,176	\$115,899

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of a 100,000 sq. ft. mail order pharmacy facility.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes air conditioning of a 100,000 sq. ft. mail order pharmacy facility.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**MAIL ORDER PHARMACY
SITE SELECTION**

**EXHIBIT VII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination (2)	Annual Shipments (1,000 Scripts)	Ft. Worth TX	Denver CO	Albuquerque NM	Phoenix AZ	Henderson NV	San Diego CA	Portland OR
Summit, NJ	3,300	\$6,909,606	\$6,965,574	\$6,965,574	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246
Gainesville, GA	3,300	\$6,817,998	\$6,909,606	\$6,909,606	\$6,965,574	\$6,965,574	\$7,011,246	\$7,011,246
Lakeland, FL	3,300	\$6,817,998	\$6,965,574	\$6,965,574	\$7,011,246	\$7,011,246	\$7,011,246	\$7,011,246
Chicago, IL	3,300	\$6,817,998	\$6,817,998	\$6,909,606	\$6,965,574	\$6,965,574	\$6,965,574	\$6,965,574
Dallas, TX	3,300	\$6,317,454	\$6,817,998	\$6,712,662	\$6,817,998	\$6,909,606	\$6,909,606	\$6,965,574
Denver, CO	3,300	\$6,817,998	\$6,317,454	\$6,712,662	\$6,712,662	\$6,817,998	\$6,817,998	\$6,817,998
Tacoma, WA	3,300	\$6,965,574	\$6,817,998	\$6,909,606	\$6,909,606	\$6,817,998	\$6,909,606	\$6,317,454
Alhambra, CA	3,300	\$6,909,606	\$6,817,998	\$6,817,998	\$6,712,662	\$6,490,638	\$6,317,454	\$6,817,998
Oakland, CA	3,300	\$6,965,574	\$6,817,998	\$6,817,998	\$6,817,998	\$6,712,662	\$6,712,662	\$6,712,662
Totals (3)	29,700	\$61,339,806	\$61,248,198	\$61,721,286	\$61,924,566	\$61,702,542	\$61,666,638	\$61,630,998

NOTES:

- (1) Reflects estimated annual shipping costs for the hypothetical mail order pharmacy serving a national market. Costs assume no international shipments and all domestic shipments are to residential addressee locations.
- (2) The destination cities are proxy locations for serving a nationwide consumer market for mail order pharmacy drugs. These nine cities represent the optimum configuration of center-of-market locations for serving this national market.
- (3) Total annual costs are based on shipping a representative script with an average total package weight of 5.8 ounces (164.4 grams). Shipping methods assume discounted USPS first class mail and a limited use (under 2 percent) of expedited next day service provided by UPS. USPS costs reflect postal rates that went into effect May 12, 2008 for first class mail commercial parcels in 3-digit and ADC sacks. UPS costs reflect next day Air Saver® rates and include fuel surcharges. A high volume discount of 20 percent is assumed; however, actual UPS discounts would be negotiated by the individual mail order pharmacy.

**EXHIBIT VIII
COMPARATIVE ANNUAL ON-SITE CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Corporate Travel Cost
Ft. Worth, TX	\$330.98	676	\$223,743
Denver, CO	\$315.86	676	\$213,521
Albuquerque, NM	\$278.42	676	\$188,212
Phoenix, AZ	\$316.46	676	\$213,927
Henderson, NV	\$306.31	676	\$207,066
San Diego, CA	\$340.31	676	\$230,050
Portland, OR	\$339.75	676	\$229,671

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 13 billable per diem travel days per week at each of the destination locations.