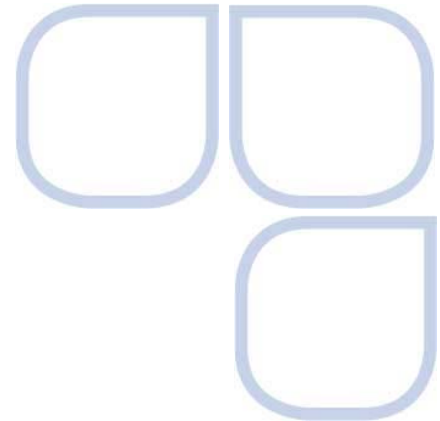




Delivering Greater Access to Affordable Healthcare



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TEN YEARS, TEN DISRUPTORS

Each year, companies and products emerge that redefine performance and create new growth in an industry. Below are ten years' worth of innovative disruptors.

1997: Netflix

At first Netflix (Nasdaq: NFLX) solved a simple job: People were sick of going to video-rental stores and not finding the movies they wanted. They also hated paying late fees—which Netflix did away with. Then, it developed an innovative recommendation system. With no retail presence and over \$1 billion in sales, Netflix has had a real impact. Since its IPO in 2002, its stock has increased by more than 130%, while Blockbuster's has fallen over 80%.

1998: Google

Sergey Brin and Larry Page set out "to organize the world's information and make it universally accessible and useful." Then, Google (Nasdaq: GOOG) began selling ads and developed a bidding system based on search words. "Pay-per-view" and "pay-per-click" gave marketers instant feedback and pulled ad dollars from traditional players. Google went public in 2004, raising \$1.67 billion. Today, the company's market cap exceeds \$160 billion.

1999: BlackBerry

Research In Motion's (Nasdaq: RIMM) BlackBerry brought consumption of e-mail services to entirely new, on-the-go contexts. By leveraging excess data network capacity and focusing on heavy users of corporate e-mail, BlackBerry identified an important foothold market. In classic disruptive fashion, a seemingly rudimentary technology nailed a job to be done and created a blockbuster growth business. There currently are more than eight million users of BlackBerry's service.

2000: MinuteClinic

From the start, MinuteClinic's low-cost health care clinics were highly disruptive. It placed its kiosks in drug stores and made the simple diagnosis of a number of common conditions lower cost and more convenient. Quick diagnosis, prescriptions and no appointments are needed. By reducing the cost of treating the most common maladies, insurers were quick to embrace MinuteClinic's offering. CVS Caremark acquired the company in 2006 for a reported \$170 million.

2001: Apple's iPod

By 2000 the music industry was facing declines in sales of compact discs as many were embracing new and illegal file-sharing Web sites. Then, Apple (Nasdaq: AAPL) introduced its sleek, easy-to-use iPod along with iTunes software. Soon iPod came to dominate the digital music device market. Apple signed agreements with record labels and added a store to iTunes that allowed consumers to buy and legally download music for only 99 cents per track.

2002: iRobot's Roomba

iRobot (Nasdaq: IRBT) got its start developing complex, one-off robots that, while technically stunning, were not profitable. The company made the strategic decision to move into the mass market by producing a



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ANONYMITY LETS CRIMINALS AND MOB RINGERS HERE'S HOW TO STOP

DISRUPTORS READY TO HATCH

Resurrecting Polaroid

After acquiring some of Polaroid's technologies during bankruptcy backers of a startup named Zink ("Zero Ink") are trying to bring digital printing to handheld devices. Waltham, Mass.-based Zink has developed a special paper that can be housed in cell phones or digital cameras. When activated by heat, dye in the paper that had been colorless transforms to produce full-color images. Using a razor/razor blade business model, Zink plans to rake in profits on its special photo paper that would retail for about \$2 for 10 sheets.



Wire-Free Charging

MIT physicist Marin Soljacic is testing a process that would charge electronic devices wirelessly, doing away with cords and chargers. His recently released paper, "Wireless Non-Radiative Energy Transfer," details how a specific magnetic field could enable devices equipped with a special receiver to get a charge from a wireless antenna, doing away with the need to plug in.

Plug and Play Auto Care

As our cars get more complex, checking under the hood has become an expensive and confusing ordeal. The SAM system by Smart Auto Management seeks to provide an ATM-style drive-through booth that will scan and assess more than 2,000 onboard diagnostic codes in the space of 10 minutes. Cost: Less than \$15. The systems appear in some Jiffy Lubes and Kwik Kar stations.

Print Your House

As if the home building business didn't have enough trouble, University of Southern California's Dr. Behrokh Khoshnevis' Contour Crafting is trying to use layered fabrication technology to construct the shell of a full-sized house in less than a week with minimal human intervention. The goal: to use rapid-set concrete to print shell houses in 24 hours that require only electrical, air conditioning and plumbing installation. F

Excerpted from a recent issue of Strategy & Innovation. For more go to www.forbes.com/stratg&innovation.

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Strategic Intent

To integrate simple, high-quality healthcare solutions into consumers' lifestyles.

- We are dedicated to providing high-quality, professional and affordable care for uncomplicated family health care needs.
- We provide care that enables integration around a medical home.
- We align ourselves around schedules that are “lifestyle conscious” in convenient locations, where customers live, work and play.
- We provide patients, employers and payers an efficient and cost-effective health care delivery that complements to traditional health care services.
- We utilize electronic medical records that are available universally to health care providers and patients.



Making Health Care Accessible

The MinuteClinic model makes health care more convenient.

- Open 7 days a week, including evenings and weekends
- Extended hours:
 - Mon - Fri: 8 a.m. – 8 p.m.
 - Sat – Sun: 10 a.m. – 4 p.m.
- No appointment necessary
- Most visits take 15 minutes
- Located in convenient retail settings
- Pharmacy and over-the-counter medications available at the same location
- National presence with continuous growth

High Quality Care – Accreditation and Guidelines

MinuteClinic is the first and only retail health care provider to be Joint Commission accredited*



MinuteClinic adheres to national standards of practice, as established by:

- American Academy of Pediatrics (AAP) Red Book
- American Academy of Family Physicians (AAFP)
- Institute for Clinical Systems Improvement (ICSI) regional guidelines

MinuteClinic also adheres to:

- AAFP and AMA Desired Attributes for Retail Health Clinics
- NCQA Guidelines for Credentialing

* Accreditation as of August 2006



Third-Party Research

WSJ/ Harris Interactive 2008 Health-Care Poll

- **U.S. adults who have used retail health clinics are very pleased with:**
 - Quality of care (90%)**
 - Cost (86%)**
 - Staff qualifications (88%)**
 - Convenience (93%)**
- **U.S. adults believe retail-based clinics can provide low-cost basic services to people who can not afford care and to anyone at times when PCP offices are closed**





Third-Party Research

RAND Health Report, Sept/Oct. 2008

- Only 10 simple treatments and services accounted for more than 90% of the retail clinic visits
 - Only 2.3% of retail clinic patients were triaged to an emergency department or physician's office
 - As many as 60% of retail clinic patients did not have a PCP
 - Patients between the ages of 18 and 44 tend to use retail clinics most frequently
- results based on over 1.3 million visits to retail clinics between 2000 and 2007





Factors That Will Drive An Expanded Role

- Focus of care has become variable rather than fixed in the MD office
- Rapid expansion/miniaturization of medical laboratory functions – (POS testing)
- Continued shortage of primary care providers
- Continued rise in healthcare costs (and drive by employers to share those costs with employees/patients/consumers)



Other Variables

Need for timely and accurate information regarding cost, quality, effectiveness

- For patients
- For providers
- For payers/employers

Nationwide EHR infrastructure to allow ready access to:

- any relevant information (both clinical and non-clinical)
- any time
- any place

** Trusted routing agents*



Electronic Medical Record Advantages & Opportunities

MinuteClinic is leading efforts to create electronic exchange of basic patient history.

- Centralized, secure records (CCR format) available from any location
- Personal Health Records (PHR)
- E-prescribe
- Need for development of trusted routing agents





Deloitte Health Solutions

Retail Clinics: Facts, Trends and Implications

“Retail clinics are a trend that’s here to stay. They are a disruptive innovation worthy of note to health plans, providers and policy makers because consumers have already embraced the concept. Their potential is profound; their growth untapped.”

– Paul H. Keckley, PhD, Deloitte Health Solutions



Deloitte.



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