

QUESTIONS AND ANSWERS CONCERNING EXCHANGE OF MEDCO COMMON STOCK

PLEASE REFER TO PAGES 141 to 144 OF THE REGISTRATION STATEMENT FILED BY ARISTOTLE HOLDING, INC. ON FORM S-4 AS FILED WITH THE SEC ON NOVEMBER 15, 2011 (REG. NO. 333-177187) (THE “REGISTRATION STATEMENT”) FOR INFORMATION ON THE TAX CONSEQUENCES OF THE EXCHANGE OF MEDCO COMMON STOCK

Express Scripts is providing the following information to help address some general questions that have been raised. Please note that the responses below are intended for broad discussion purposes only, and are not intended to constitute tax advice or recommendation to take any particular tax position. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS FOR MORE SPECIFIC INFORMATION AND ADVICE.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE; (B) THE ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

- 1. What is the fair value of the Express Scripts Holding Company common stock that will be used to calculate the value of the Medco merger consideration that Medco stockholders will receive?**

Express Scripts intends to take the position that the fair market value of the new Express Scripts Holding Company stock that was issued as merger consideration had a value of \$56.49 per share.

- 2. What is the fair value of the Express Scripts common stock that will be used to calculate the value of fractional shares?**

Fractional shares will be valued at \$53.59 based on the methodology described in the Registration Statement.

- 3. Will you be providing the shareholders of Express Scripts and Medco the “required issuer statement” on Form 8937 for this transaction?**

Yes, this form will be accessible on the investor relations section of Express Scripts’ web site for 10 years.

- 4. Do I have to recognize taxable gain on my tax return as a result of this merger?**

U.S. holders (as defined in the Registration Statement) of Medco shares will generally recognize gain, but not loss, from their exchange of Medco stock for a combination of new Express Scripts Holding Company stock and cash (excluding any cash received in lieu of fractional shares).

Express Scripts shareholders will not recognize gain or loss as a result of this merger.

5. How is the taxable gain calculated?

The taxable gain to be recognized by a U.S. holder of Medco shares is the lesser of (i) the excess of the total consideration received in this transaction over the aggregate adjusted tax basis in the Medco common stock surrendered in this merger, and (ii) the cash received (excluding cash received in lieu of fractional shares).

Express Scripts shareholders will not recognize gain or loss as a result of this merger.

6. What is the character of the gain?

Gain recognized by a U.S. holder who held Medco shares as a capital asset will generally be capital gain.

7. If I have a taxable loss as a result of the merger, can I deduct the loss on my return?

As described above in #4, a U.S. holder of Medco shares will generally not recognize loss in the transaction, except possibly in the case of cash received in lieu of a fractional share. A U.S. holder of Medco shares may recognize a loss on the receipt of cash in lieu of fractional shares, but the deductibility of any such loss is subject to limitations.

8. What is my basis in the new Express Scripts Holding Company stock?

Your basis in the new Express Scripts Holding Company stock you received (including fractional shares deemed received and redeemed as described below in #11) is equal to the aggregate tax basis in the shares you surrendered reduced by the cash you received (excluding any cash received in lieu of fractional shares) and increased by the gain recognized from the merger, if any (excluding any gain recognized from the receipt of cash in lieu of fractional shares).

9. What is my holding period in the new Express Scripts Holding Company stock?

Express Scripts and Medco shareholders' holding period for the Express Scripts Holding Company stock received in the merger will include the holding period of the shares surrendered in the exchange. For example, if a Medco shareholder purchased 100 shares of Medco stock on January 1, 2009, all of which were surrendered in exchange for 81 shares of Express Scripts Holding Company stock, those 81 shares of Express Scripts Holding Company are treated as having been owned since January 1, 2009. Accordingly, if that same shareholder held its shares as a capital asset and sold all 81 shares on April 5, 2012 (three days after the merger), the result would generally be a *long term* capital gain or loss.

10. How do I calculate the basis of my Medco shares?

Your cost basis will generally equal the amount you paid for your shares adjusted for certain items such as dividends, stock splits, and capital distributions. Since this determination is based on your particular facts and circumstances, you should consult with a tax advisor to determine the tax basis in your Medco shares.

11. How do fractional shares get treated?

Medco shareholders will receive cash in lieu of a fractional share of Express Scripts Holding Company stock pursuant to this merger. Medco shareholders will generally be treated as having received the fractional share and then as having received such cash in redemption of the fractional share. Any resulting gain or loss generally will be capital in nature.

12. Will you provide an example to illustrate the U.S. Federal income tax consequences to Express Scripts and Medco shareholders?

Express Scripts shareholders will not recognize gain or loss as a result of this merger, and there is no change in their adjusted tax basis in their stock.

The following examples illustrate the tax consequences to Medco shareholders:

Example 1: Medco Shareholder Surrendered 150 Shares with a \$10 Per Share Basis

Original Cost Basis of Medco Shares

150 shares x \$10/share \$1,500.00

Consideration Received in the Merger

Stock Merger Consideration (121.5 New ESRX shares x \$56.49) \$6,863.54

Cash Merger Consideration (150 Medco shares x \$28.80) \$4,320.00

Total Consideration \$11,183.54

Gain or Loss Realized in the Merger

Total Consideration \$11,183.54

Less: Medco Cost Basis (\$1,500.00)

Realized Gain/(Loss) \$9,683.54

Gain or Loss Recognized in the Merger

Taxable Gain (Lesser of Realized Gain or Cash Merger Consideration) \$4,320.00

Basis in New ESRX Shares

Original Carryover Medco Cost Basis \$1,500.00

Less: Cash Merger Consideration (\$4,320.00)

Plus: Gain Recognized \$4,320.00

Basis in New ESRX Shares (121.5 shares) \$1,500.00

Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.5 share x \$53.59) \$26.79

Less: Basis in Fractional Share [(0.5 / 121.5) x \$1,500] (\$6.17)

Taxable Gain/(Loss) on Fractional Share \$20.62

Basis in Remaining ESRX Shares

Basis in New ESRX Shares (121.5 shares) \$1,500.00

Less: Basis in Fractional Share [(0.5 / 121.5) x \$1,500] (\$6.17)

Basis in Remaining ESRX Shares (121 shares) \$1,493.83

Per Share Basis \$12.35

Total Taxable Gain/(Loss) \$4,340.62

This example is provided for illustration purposes only. Express Scripts does not provide tax advice to shareholders, and this example is not intended to provide tax advice. You are strongly urged to consult with a tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences of the mergers to you.

Example 2: Medco Shareholder Surrendered 150 Shares with a \$65 Per Share Basis

Original Cost Basis of Medco Shares

150 shares x \$65/share \$9,750.00

Consideration Received in the Merger

Stock Merger Consideration (121.5 New ESRX shares x \$56.49) \$6,863.54

Cash Merger Consideration (150 Medco shares x \$28.80) \$4,320.00

Total Consideration \$11,183.54

Gain or Loss Realized in the Merger

Total Consideration \$11,183.54

Less: Medco Cost Basis (\$9,750.00)

Realized Gain/(Loss) \$1,433.54

Gain or Loss Recognized in the Merger

Taxable Gain (Lesser of Realized Gain or Cash Merger Consideration) \$1,433.54

Basis in New ESRX Shares

Original Carryover Medco Cost Basis \$9,750.00

Less: Cash Merger Consideration (\$4,320.00)

Plus: Gain Recognized \$1,433.54

Basis in New ESRX Shares (121.5 shares) \$6,863.54

Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.5 share x \$53.59) \$26.79

Less: Basis in Fractional Share [(0.5 / 121.5) x \$6,863.54] (\$28.25)

Taxable Gain/(Loss) on Fractional Share (\$1.46)

Basis in Remaining ESRX Shares

Basis in New ESRX Shares (121.5 shares) \$6,863.54

Less: Basis in Fractional Share [(0.5 / 121.5) x \$6,863.54] (\$28.25)

Basis in Remaining ESRX Shares (121 shares) \$6,835.29

Per Share Basis \$56.49

Total Taxable Gain/(Loss) \$1,432.08

This example is provided for illustration purposes only. Express Scripts does not provide tax advice to shareholders, and this example is not intended to provide tax advice. You are strongly urged to consult with a tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences of the mergers to you.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Express Scripts Holding Company		2 Issuer's employer identification number (EIN) 45-2884094	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 314-810-3115	5 Email address of contact investor.relations@express-scripts.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Express Way		7 City, town, or post office, state, and Zip code of contact St. Louis, MO 63121	
8 Date of action April 2, 2012		9 Classification and description Express Scripts, Inc. common stock; Medco Health Solutions, Inc. common stock	
10 CUSIP number 30219G108; 302182100; 58405U102	11 Serial number(s)	12 Ticker symbol ESRX; MHS	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ In anticipation of the merger between Express Scripts, Inc. ("Express Scripts") and Medco Health Solutions, Inc. ("Medco"), Express Scripts formed a wholly owned subsidiary called Express Scripts Holding Company. Express Scripts then formed Aristotle Merger Sub, Inc. ("Express Scripts Merger Sub") and Plato Merger Sub, Inc. ("Medco Merger Sub"), both wholly owned subsidiaries of Express Scripts Holding Company. On April 2, 2012, under the terms of the merger agreement, Express Scripts Merger Sub merged with and into Express Scripts with Express Scripts surviving the merger. Immediately following the consummation of the Express Scripts merger, Medco Merger Sub merged with and into Medco with Medco surviving the merger. As a result of the two mergers, Express Scripts and Medco became wholly owned subsidiaries of Express Scripts Holding Company. Medco shareholders received \$28.80 in cash and 0.81 shares of Express Scripts Holding Company for each Medco share they owned upon closing of the transaction, and Express Scripts shareholders became shareholders of Express Scripts Holding Company receiving one share of the new holding company for each share of Express Scripts they owned upon closing. No fractional shares of Express Scripts Holding Company common stock were issued in the transaction. Medco shareholders received cash in lieu of fractional shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The tax basis in the new Express Scripts Holding Company stock a U.S. holder received (including fractional shares deemed received and redeemed) pursuant to the consummation of the merger is equal to the aggregate tax basis in the shares surrendered reduced by any cash received (excluding any cash received in lieu of fractional shares) and increased by any gain recognized (excluding any gain recognized from the receipt of cash in lieu of fractional shares). In order to calculate the new per share basis, a U.S. holder of new Express Scripts Holding Company stock should divide the result from the preceding sentence (after reducing it by the basis allocable to fractional shares deemed received and redeemed) by the number of whole shares of new Express Scripts Holding Company stock received in the exchange. The calculation is performed separately for each identifiable block of shares surrendered in the merger.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ U.S. holders of Medco shares will recognize gain equal to the lesser of (i) the excess of the total consideration received in this merger transaction over the aggregate adjusted tax basis in the Medco common stock surrendered, and (ii) the cash consideration received (excluding cash received in lieu of fractional shares). In order to calculate the value of the stock consideration, Express Scripts intends to take the position that the fair market value of the new Express Scripts Holding Company stock that was issued as merger consideration had a value of \$56.49 per share (the opening price on April 2, 2012). In order to calculate the value of fractional shares deemed received and redeemed, fractional shares will be valued at \$53.59 based on the methodology described in the Registration Statement.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Express Scripts and Medco intend that the Express Scripts merger and the Medco merger, taken together, be treated as an exchange described in Section 351 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, the federal income tax consequences applicable to U.S. holders of Medco and Express Scripts common stock must generally be determined under Code Sections 351, 358, and 1221.

18 Can any resulting loss be recognized? ► U.S. holders of Medco shares will generally not recognize loss in the transaction, except possibly in the case of cash received in lieu of a fractional share. U.S. holders of Medco shares who receive cash in lieu of a fractional share of Express Scripts Holding Company stock pursuant to this merger will generally be treated as having received the fractional share and then as having received such cash in redemption of the fractional share. These holders will generally recognize gain or loss equal to the difference between the cash received and the tax basis allocable to the fractional share, but the deductibility of any such loss is subject to limitations.

Express Scripts shareholders did not receive cash or cash in lieu of fractional shares in this transaction and accordingly will not recognize gain or loss as a result of this merger.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The merger of Express Scripts and Medco was consummated on April 2, 2012. The federal income tax consequences applicable to U.S. holders of Medco and Express Scripts common stock must generally be reported in the U.S. holder's taxable year that includes April 2, 2012.

Please see the document entitled "Questions and Answers Concerning Exchange of Medco Common Stock" posted on Express Scripts' web site for additional information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►

Date ►

5/7/2012

Print your name ► Kelley R. Elliott

Title ► VP, CAO, and Corporate Controller

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►			Firm's EIN ►	
Firm's address ►			Phone no.	



EXPRESS SCRIPTS®

Express Scripts, Inc.



Medco Health Solutions, Inc.

**TO THE STOCKHOLDERS OF EXPRESS SCRIPTS, INC. AND MEDCO HEALTH SOLUTIONS, INC.
MERGER PROPOSAL — YOUR VOTE IS VERY IMPORTANT**

November 15, 2011

Dear Stockholders:

Express Scripts, Inc. (“Express Scripts”) and Medco Health Solutions, Inc. (“Medco”) have entered into a merger agreement providing for the combination of Express Scripts and Medco under a new holding company named Aristotle Holding, Inc. The mergers will combine the expertise of two complementary pharmacy benefit managers to accelerate efforts to lower the cost of prescription drugs and improve the quality of care for Americans. George Paz will serve as chairman and CEO of the combined organization. The board of directors of the combined company will consist of the current members of the board of directors of Express Scripts and two current independent Medco board members.

Upon completion of the mergers, Express Scripts stockholders will receive one share of common stock of Aristotle Holding, Inc. for each share of Express Scripts common stock. For each share of Medco common stock, Medco stockholders will receive (i) \$28.80 in cash, without interest, and (ii) 0.81 shares of common stock of Aristotle Holding, Inc. We anticipate that Express Scripts stockholders will hold approximately 59%, and Medco stockholders will hold approximately 41%, of the shares of Aristotle Holding, Inc.’s common stock issued and outstanding immediately after the consummation of the mergers. Aristotle Holding, Inc. intends to apply to list its common stock on the NASDAQ under the symbol “ESRX,” subject to official notice of issuance and, following consummation of the mergers, we anticipate that Aristotle Holding, Inc. will change its name to “Express Scripts Holding Company.”

Completion of the mergers requires, among other things, the separate approvals of both Express Scripts stockholders and Medco stockholders. To obtain these required approvals, Express Scripts will hold a special meeting of Express Scripts stockholders on December 21, 2011 and Medco will hold a special meeting of Medco stockholders on December 21, 2011.

EXPRESS SCRIPTS’ AND MEDCO’S BOARDS OF DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE “FOR” THE PROPOSALS TO ADOPT THE MERGER AGREEMENT.

Information about the special meetings, the mergers and the other business to be considered by Express Scripts stockholders and Medco stockholders is contained in this document and the documents incorporated by reference, which we urge you to read carefully. In particular, see “Risk Factors” beginning on page 37.

Your vote is very important. Whether or not you plan to attend the special meeting of Express Scripts stockholders or the special meeting of Medco stockholders, as applicable, please submit a proxy to vote your shares as soon as possible to make sure your shares are represented at the applicable special meeting. Your failure to vote will have the same effect as voting against the proposal to adopt the merger agreement.

George Paz
President, Chief Executive Officer, and
Chairman of the Board
Express Scripts, Inc.

David B. Snow, Jr.
Chairman of the Board and Chief Executive Officer
Medco Health Solutions, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in connection with the mergers or determined if the accompanying joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The accompanying joint proxy statement/prospectus is dated November 15, 2011, and is first being mailed or otherwise delivered to stockholders of Express Scripts and stockholders of Medco on or about November 18, 2011.

Material U.S. Federal Income Tax Consequences (Page 28)

It is anticipated that the Express Scripts merger and the Medco merger, taken together, will qualify as an exchange described in Section 351 of the Code. It is a condition to Medco's obligation to complete the Medco merger that Medco receive a written opinion of its counsel, Sullivan & Cromwell, to the effect that the Express Scripts merger and the Medco merger, taken together, will qualify as an exchange described in Section 351 of the Code. It is a condition to Express Scripts' obligation to complete the Express Scripts merger that New Express Scripts receive an opinion of its counsel, Skadden, to the effect that the Express Scripts merger and the Medco merger, taken together, will qualify as an exchange described in Section 351 of the Code. If the Express Scripts merger and the Medco merger, taken together, qualify as an exchange described in Section 351, then:

- U.S. holders (as defined in the section entitled "The Mergers — Material U.S. Federal Income Tax Consequences" beginning on page 141) of Express Scripts common stock will not recognize gain or loss for U.S. federal income tax purposes as a result of the exchange of Express Scripts common stock for New Express Scripts common stock; and
- **U.S. holders of Medco common stock generally will recognize gain, but not loss**, on the exchange of Medco common stock for a combination of New Express Scripts common stock and cash (excluding any cash received in lieu of a fractional shares) **equal to the lesser of:**
 - the **excess of (i) the sum of the fair market value** of New Express Scripts common stock received in the Medco merger **and the amount of cash received** in the Medco merger **over (ii) the stockholder's tax basis** in the Medco common stock surrendered in the Medco merger, and
 - the **amount of cash received** by such stockholder in the Medco merger.

You are strongly urged to consult with a tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences of the mergers to you. See "The Mergers — Material U.S. Federal Income Tax Consequences" on page 141.

Material U.S. Federal Income Tax Consequences (Page 141)

The following is a summary of the material U.S. federal income tax consequences of the mergers applicable to holders of Express Scripts common stock and Medco common stock. This discussion is based upon the Code, Treasury regulations, judicial authorities, published positions of the Internal Revenue Service, which we refer to as the IRS, and other applicable authorities, all as currently in effect and all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion is limited to U.S. holders (as defined below) that hold their shares of Express Scripts common stock or Medco common stock as capital assets for U.S. federal income tax purposes. This discussion does not address all of the tax consequences that may be relevant to a particular stockholder or to stockholders that are subject to special treatment under U.S. federal income tax laws, such as:

- stockholders that are not U.S. holders;
- financial institutions;

- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- persons whose functional currency is not the U.S. dollar;
- traders in securities that elect to use a mark to market method of accounting;
- persons who own more than 5% of the outstanding stock of Express Scripts or Medco;
- persons that hold Express Scripts common stock or Medco common stock as part of a straddle, hedge, constructive sale or conversion transaction; and
- U.S. holders who acquired their shares of Express Scripts common stock or Medco common stock through the exercise of an employee stock option or otherwise as compensation.

If a partnership or other entity taxed as a partnership holds Express Scripts common stock or Medco common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the mergers to them.

This discussion does not address the tax consequences of the mergers under state, local or foreign tax laws. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below.

All holders are urged to consult with their tax advisors as to the tax consequences of the mergers in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws.

For purposes of this section, the term “U.S. holder” means a beneficial owner of Express Scripts common stock or Medco common stock, as applicable, that for U.S. federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any State or the District of Columbia;
- an estate that is subject to U.S. federal income tax on its income regardless of its source; or
- a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or a trust that validly has elected under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

Tax Consequences of the Mergers Generally

Express Scripts and Medco intend that the Express Scripts merger and the Medco merger, taken together, be treated as an exchange described in Section 351 of the Code. It is a condition to Medco’s obligation to complete the Medco merger that Medco receive a written opinion of its counsel, Sullivan & Cromwell, to the effect that the Express Scripts merger and the Medco merger, taken together, will qualify as an exchange described in Section 351 of the Code. It is a condition to Express Scripts’ obligation to complete the Express Scripts merger that New Express Scripts receive an opinion of its counsel, Skadden, to the effect that the Express Scripts merger and the Medco merger, taken together, will qualify as an exchange described in Section 351 of the Code. In rendering these opinions, counsel will require and rely upon representations contained in letters and certificates to be received from Express Scripts and Medco. If the letters or certificates are incorrect, the conclusions reached in the tax opinions could be jeopardized. In addition, the opinions will be subject to certain qualifications and limitations as set forth in the opinions. Neither Express Scripts nor Medco intends to waive this opinion condition to its obligation to consummate the merger. If either Express Scripts or Medco waives this opinion condition after the registration statement of which this proxy statement/prospectus is a part is declared effective by the SEC, and the change in tax consequences is material, Express Scripts and Medco will recirculate an updated version of this proxy statement/prospectus and resolicit proxies from their respective stockholders.

None of the tax opinions given in connection with the mergers will be binding on the IRS. Neither Express Scripts nor Medco will request any ruling from the IRS as to the U.S. federal income tax consequences of the mergers. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below. In addition, if any of the representations or assumptions upon which those opinions are based is inconsistent with the actual facts, the U.S. federal income tax consequences of the mergers could be adversely affected.

Tax Consequences to Medco Stockholders

Based upon the facts and representations contained in the representation letters received from Express Scripts and Medco described above under *Tax Consequences of the Mergers Generally*, in the opinion of Sullivan & Cromwell, the Express Scripts merger and the Medco merger, taken together, will qualify as an exchange described in Section 351 of the Code and as a result:

Subject to the discussion below regarding Section 304 of the Code, a U.S. holder of Medco common stock generally will recognize gain, but not loss, on the exchange of Medco common stock for New Express Scripts common stock and cash (excluding any cash received in lieu of fractional shares) equal to the lesser of:

- the excess of (i) the sum of the fair market value of New Express Scripts common stock received and the amount of cash received in the Medco merger over (ii) the U.S. holder’s tax basis in the Medco common stock surrendered in the Medco merger, and
- the amount of cash received by such U.S. holder in the Medco merger.

For this purpose, a U.S. holder must calculate gain or loss separately for each identifiable block of shares of Medco common stock that is surrendered in the exchange, and the U.S. holder may not offset a loss recognized on one block of the shares against gain recognized on another block of the shares. Subject to the discussion below regarding Section 304 of the Code, any gain recognized by such U.S. holder will generally be treated as capital gain

and will be long-term capital gain if the holding period for shares of the Medco common stock that are surrendered in the exchange is more than one year as of the effective time of the Medco merger. The aggregate tax basis of the New Express Scripts common stock received by a U.S. holder (including fractional shares deemed received and redeemed as described below) will be the same as the aggregate tax basis of the shares of Medco common stock surrendered in the exchange, decreased by the amount of cash received, and increased by the amount of gain recognized. A U.S. holder's holding period for the New Express Scripts common stock received in the Medco merger will include the holding period of the shares of Medco common stock surrendered in exchange therefor.

Cash received in lieu of fractional shares. A U.S. holder that receives cash in lieu of a fractional share of New Express Scripts common stock in the Medco merger will generally be treated as having received such fractional share and then as having received such cash in redemption of such fractional share interest. A U.S. holder generally will recognize gain or loss measured by the difference between the amount of cash received and the portion of the basis of the shares of New Express Scripts common stock allocable to such fractional interest. Such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period in the Express Scripts common stock exchanged therefor was greater than one year as of the date of the exchange.

Application of Section 304 of the Code. The results to Medco stockholders described above may be altered if Section 304 of the Code applies to the Medco merger. Section 304 of the Code will apply to the Medco merger if the Medco stockholders, in the aggregate, own stock of New Express Scripts possessing 50% or more of the total combined voting power or 50% or more of the total combined value of all classes of stock of New Express Scripts, taking into account certain constructive ownership rules under the Code and, in the case of a Medco stockholder who also owns Express Scripts common stock, taking into account any New Express Scripts common stock received by such Medco stockholder in the Express Scripts merger. If Section 304 of the Code were to apply to the Medco merger, U.S. holders of Medco common stock who do not actually or constructively own any shares of Express Scripts common stock at the effective time of the Medco merger will recognize capital gain or loss equal to the difference between the amount of cash received and the portion of such U.S. holder's tax basis in its Medco common stock that is exchanged for such cash. U.S. holders of Medco common stock who actually or constructively own shares of Express Scripts common stock should consult their own tax advisors as to the amount and character of any income in the event that Section 304 of the Code applies to the Medco merger.

(some material omitted)

Reporting Requirements

U.S. holders of Express Scripts common stock or Medco common stock who receive New Express Scripts common stock and, upon consummation of the mergers, own New Express Scripts common stock representing at least 5% of the total combined voting power or value of the total outstanding New Express Scripts common stock, are required to attach to their tax returns for the year in which the mergers are consummated, and maintain a permanent record of, a complete statement of all the facts relating to the exchange of stock in connection with the mergers containing the information listed in Treasury regulations section 1.351-3. The facts to be disclosed by a U.S. holder include the aggregate fair market value of, and the U.S. holder's basis in, the Express Scripts common stock or the Medco common stock, as applicable, exchanged pursuant to the mergers.