



CVS CAREMARK

Sanford C. Bernstein's 27th Annual Strategic Decisions Conference



Larry J. Merlo
President & CEO

June 1, 2011

Safe Harbor Statement



During This Presentation, We Will Make Certain Forward-looking Statements That Are Subject To Risks And Uncertainties That Could Cause Actual Results To Differ Materially. Accordingly, For These Forward-looking Statements, We Claim The Protection Of The Safe Harbor For Forward-looking Statements Contained In The Private Securities Litigation Reform Act Of 1995. We Strongly Recommend That You Become Familiar With The Specific Risks And Uncertainties That Are Described In The "Risk Factors" Section Of Our Most Recently Filed Annual Report On Form 10-K And Under The Caption "Cautionary Statement Concerning Forward-looking Statements" In Our Most Recently Filed Quarterly Report On Form 10-Q. The Information In These Slides Is Based On Our Best Estimates And Information Known To Us On June 1, 2011 And CVS Caremark Assumes No Obligation And Expressly Disclaims Any Duty To Update Information Contained In These Slides Except As Required By Law.

Additionally, We Will Discuss Some Non-GAAP Financial Measures In Talking About Our Company's Performance, Namely Free Cash Flow, EBITDA And "Adjusted EPS". In Accordance With SEC Regulations, You Can Find The Definitions Of The Non-GAAP Items Mentioned, As Well As The Reconciliations To Comparable GAAP Measures, On The Investor Relations Portion Of Our Website At info.cvscaremark.com/investors.

A New Approach To Pharmacy Care



Retail Pharmacy

MinuteClinic



Pharmacy Benefit Management



CVS
CAREMARK



Generation Health



Mail Order Pharmacy



Specialty Pharmacy

Many Factors Will Play Into The Future Growth Of The Pharmacy Industry



Continued Generic Drug Expansion



Aging Population / Demographics



Health Care Reform / Coverage Expansion



Accelerated Growth In Specialty Pharmacy



Improvements In Patient Care – Adherence To Therapy And Closing Gaps In Care

Sub-optimal Pharmacy Care Costs The U.S. Nearly \$300 Billion Annually



There Is A Lot At Stake

- 45% Of U.S. Population Has One Or More Chronic Conditions

Pharmacy Care Is A Solution

- Pharmacists Are One Of The Most Influential Advisors In Health Care
- Every \$1 Spent On Diabetes Medications Reduces Medical Costs \$7

There Are Barriers To Overcome

- 50% Of Patients Are Not Receiving All Of The Medications Needed
- 2 In 3 Patients Fall Off Therapy In The First Nine Months

CVS Caremark Is Positioned To Lead

- Unmatched Access To Patients
- Unique Platforms And Expertise

Better Pharmacy Care



Get the **medicine** right



The most advanced approach
to clinical
and cost management

Get the **behavior** right



Members achieve
better health outcomes
and help reduce cost

Both Are Needed To Improve Health And Reduce Total Cost

Our Approach To Pharmacy Benefits Management



- Analytically-driven Innovations For Better Results
- Evidence-based Care For All Members
- Expertise And Resources To Make It Easy For Members To Change Behavior
- Service Excellence
- Flexible Business Model
- Product Innovation Through Integrated PBM/Retail Model



Key Elements Of Plan To Improve PBM Performance

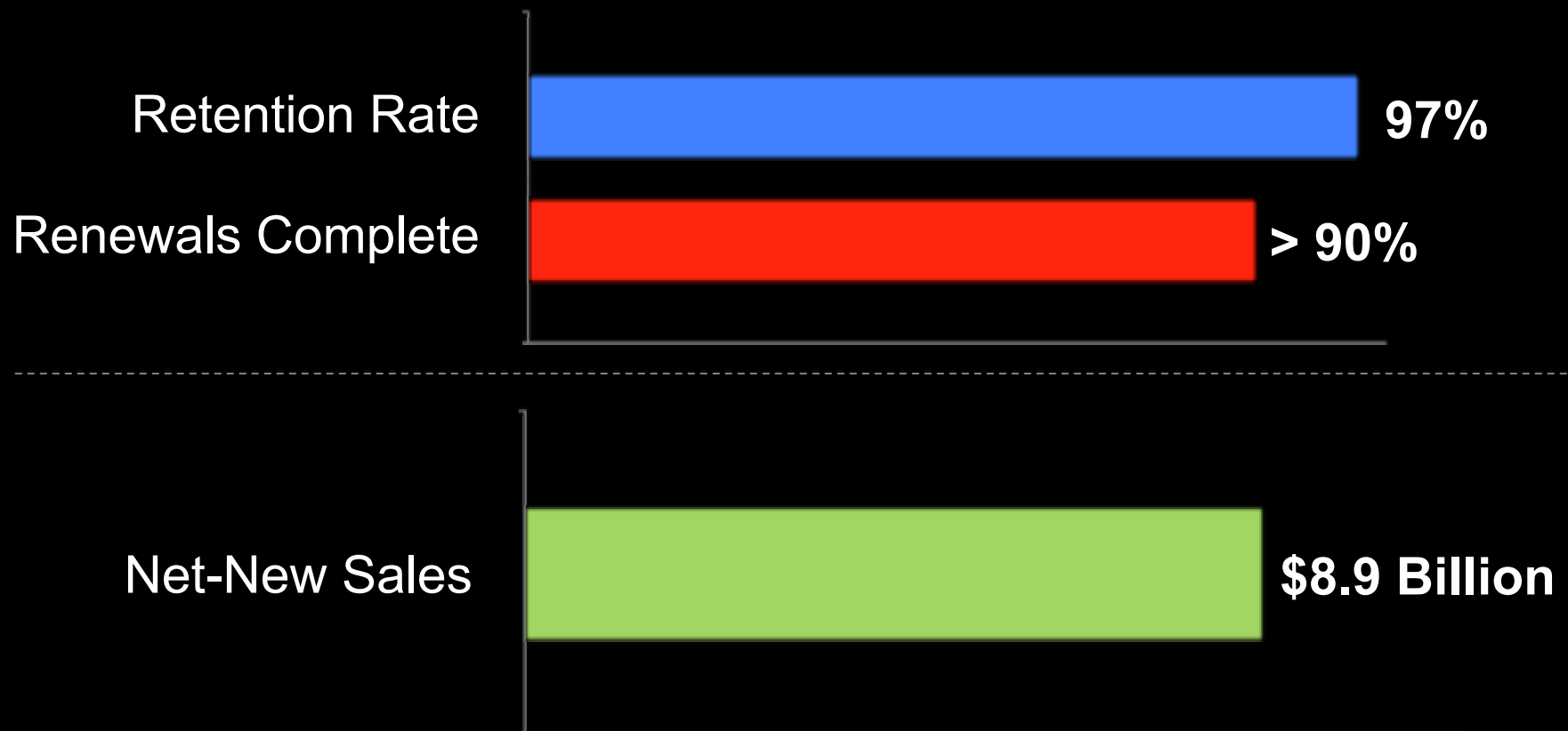


- Achieve Continued Momentum In Selling Season
- Develop And Up-sell Our Unique Clinical Offerings
- Drive Growth In 90-day Mail Choice And GDR
- Focus On High Growth Areas
 - Medicare Part D, Specialty, Aetna
- Execute Successfully On The PBM Streamlining Initiative

Our PBM Sales Team Re-established Momentum In The 2011 Selling Season



2011 Selling Season Summary



Note: As of First Quarter 2011 Earnings Conference Call on May 5, 2011

Pharmacy Advisor™ Has Rapidly Become Our Flagship Clinical Program



- Innovative, Unique Program To Engage Patients In Their Health Care
 - Improve Adherence
 - Close Gaps In Care
- Members Receive Targeted Interventions With A Pharmacist
 - Face-to-face At CVS/pharmacy
 - By Phone Through CVS Caremark Mail Pharmacy
- More Than 500 Clients Representing 12.5 Million Lives By End Of 2011
- Program Will Expand Beyond Diabetes To Four Key Cardiovascular Conditions In 2012



Maintenance Choice[®] Expands Utilization Of 90-day Prescriptions



Same pricing at mail and CVS¹

up to **4%**

savings on gross pharmacy spend

Choice of access improves results^{2,3}

30%

more people stay on therapy compared to Mandatory Mail

Member convenience⁴

75%

of the U.S. population lives within 3 miles of a CVS retail store location

Rapid Client Adoption: 630 Clients, 7.8M Members

1. CVS Caremark Enterprise Analytics, 2009 2. CVS Caremark Analytic Consulting Services. 3. CVS Caremark, October 2010 dashboard. 4. Within metropolitan statistical areas (MSAs) that CVS/pharmacy operates.

12-year Aetna Contract Will Drive Productive Long-term Growth



- CVS Caremark Selected Due To Integrated Approach And Multi-channel Platform
- Aetna 2012 Sales Story And Value Proposition Key To Growth Of Lives
- Adoption Of Our Unique Products Key To Margin Growth



CVS Caremark Well-positioned To Capitalize On Fast-growing Medicare Population

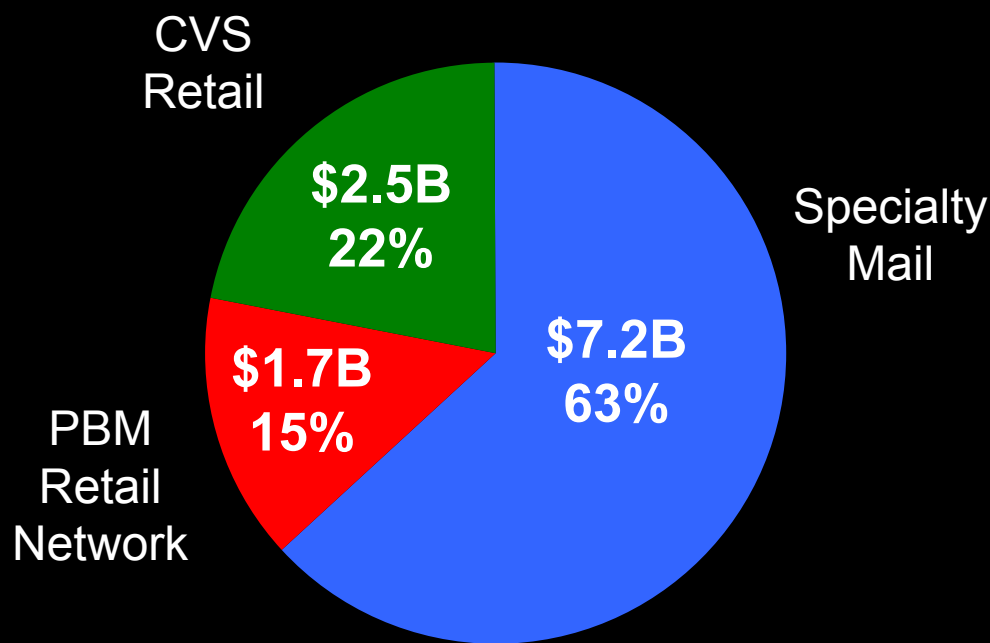


- Med D An Integral Part Of Long-term Growth Strategy
- 3.4 Million Members Served By Our PDP
 - UAM Acquisition Doubled Membership, Making Us #2
- Reform Driving Change; Our Solutions Will Help Clients Address Future Cost Burdens

CVS Caremark Is A Leading Provider Of Specialty Pharmacy Services



2010 Specialty Revenue Mix

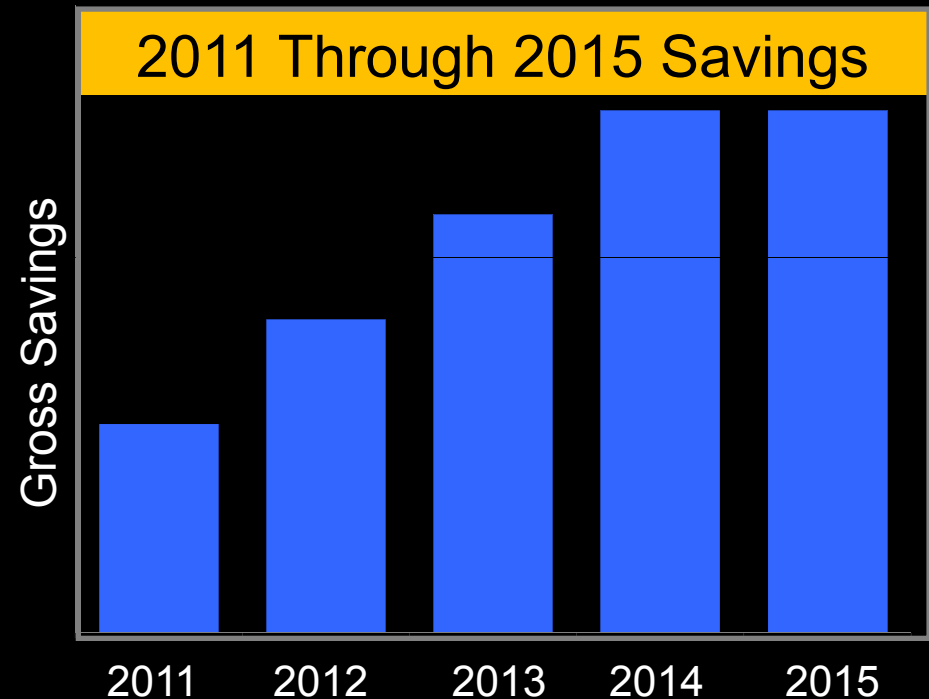


- Fill Or Manage Over \$11 Billion Of Specialty Meds Annually
- Multi-channel Capabilities Position Us For Growth, Esp. Given Reform-driven Coverage Changes
- New Medical Benefit Drug Management Service Available January 2012

PBM Streamlining Initiatives To Deliver Over \$1 Billion In Savings From 2011 – 2015



- Streamline Operations
- Rationalize Capacity
- Invest In Technology



Our Retail Business Continues To Achieve Healthy Growth



- Over 7,200 Stores
- 5 Million Customers Per Day
- 20% U.S. Rx Market Share
- #1 or #2 In 20 Of Top 25 Markets In The U.S.

Superior Value Proposition Through Innovative Offerings And Products



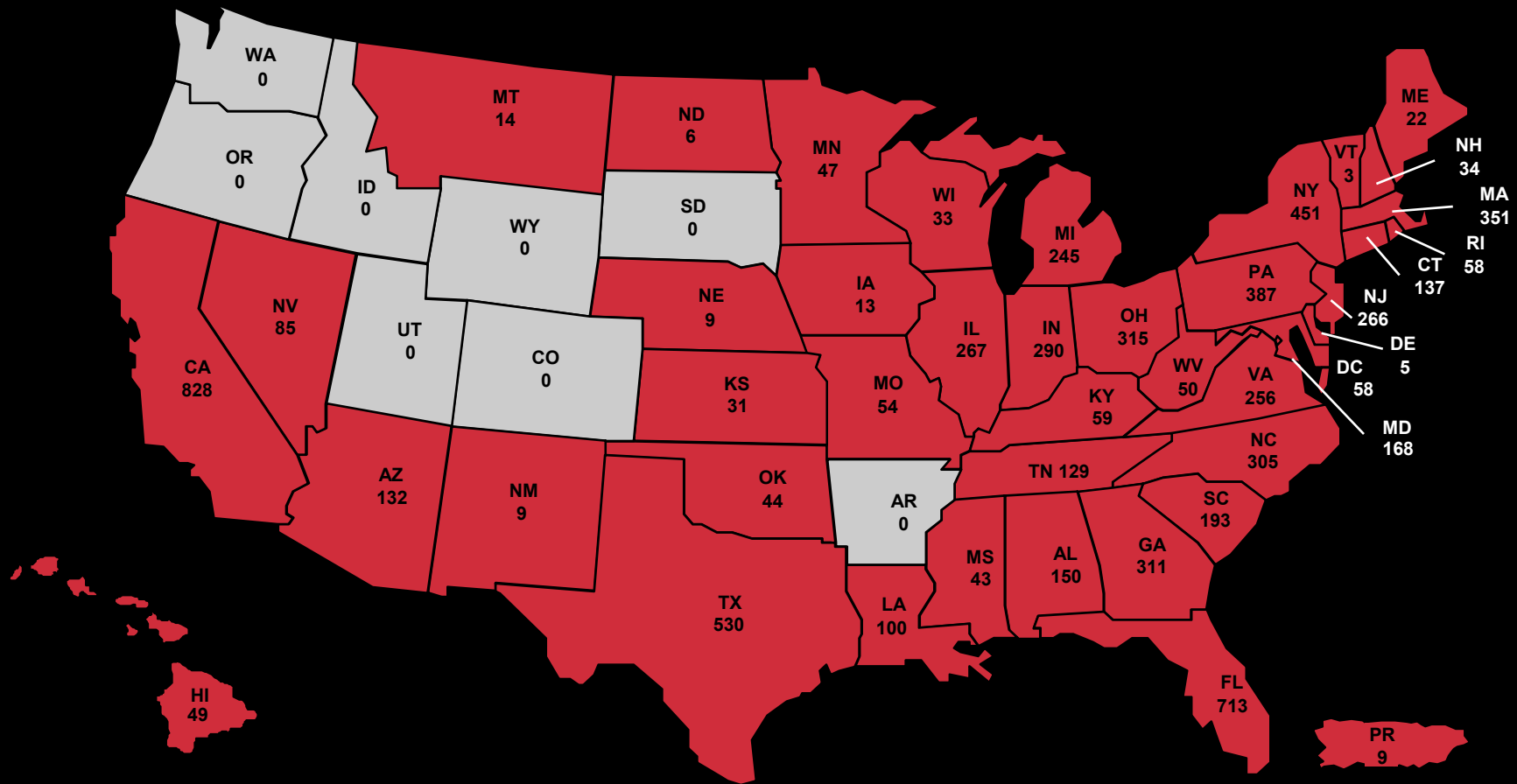
- Over 67 Million Active Members
- 10+ Years Of Experience
- Driving Profitable Sales

CVS Store Brand



- Over 5,000 Items Storewide
- Over 17% Of Front-store Sales
- Sales Growing 13% Annually

Consistent Retail Growth Extends Our Reach And Improves Access



Targeting 2% to 3% Retail Square Footage Growth Annually

Note: store counts as of March 31, 2010.

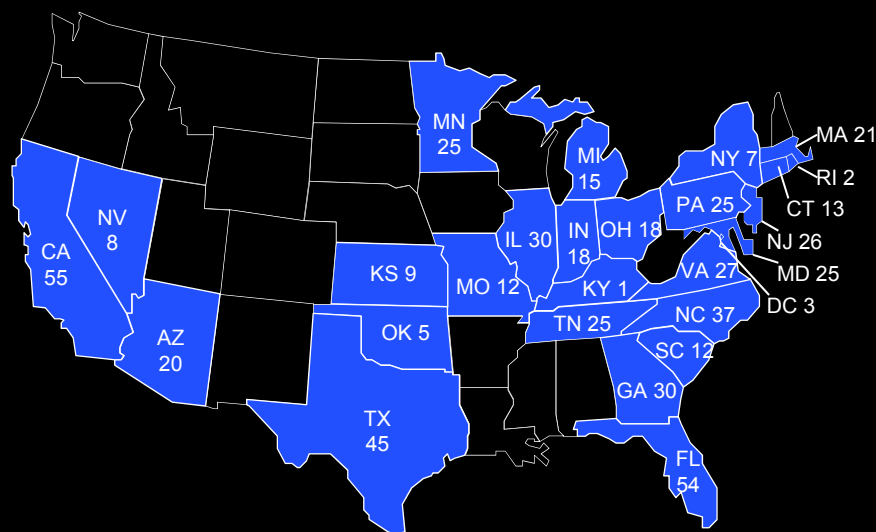
Evolving And Innovating To Maintain Our Lead In Retail



- Rollout Of RxConnect And Consumer Engagement Engine
- Clustering Initiatives Expected To Yield Significant Returns
- Expanding Store Brand Business
- Improvements In Longs Stores...Opportunity Remains
- Improvements In Expense Control And Operating Margin



Expanding Our Leadership In A Growing Retail Clinic Market



- 560 Clinics In 55 Markets
- Expect To Double Footprint Over Next Five Years
- Expect Enterprise Break-even By End Of 2011

	2011E	2012E	2013E	2014E	2015E
Clinics	660	760	860	960	1,060
Markets	60	70	80	90	100

Clinic counts as of March 31, 2011, and include seasonal clinics.

Focus On Enhancing Shareholder Value



Driving Productive Long-term Growth

Generating Significant Cash Flow

Optimizing Capital Deployment

Enhancing
Shareholder
Value

Steady State Five-year Targets

Enterprise Growth Model

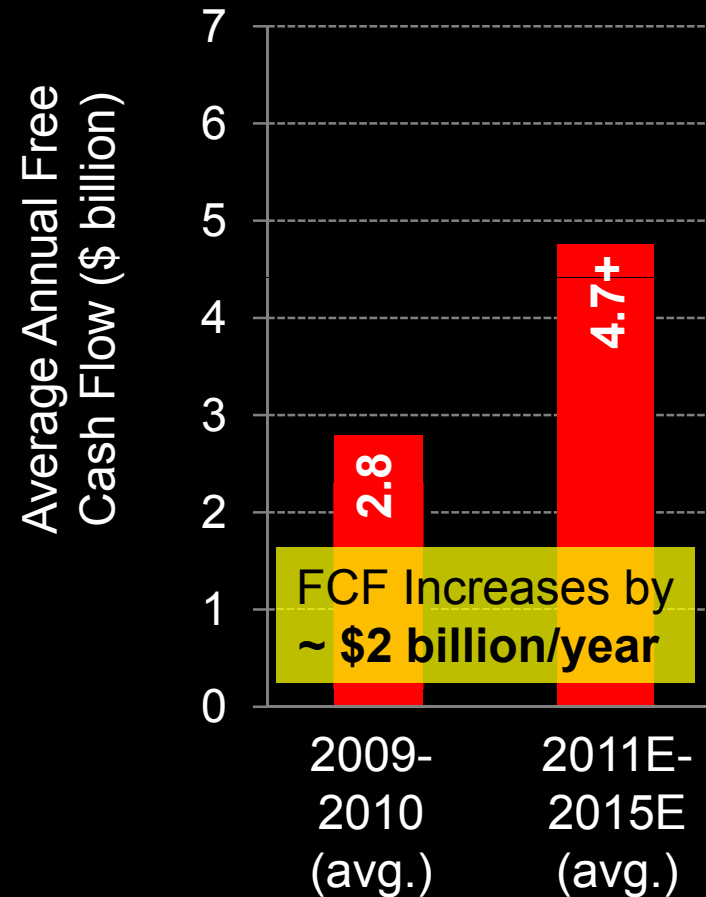
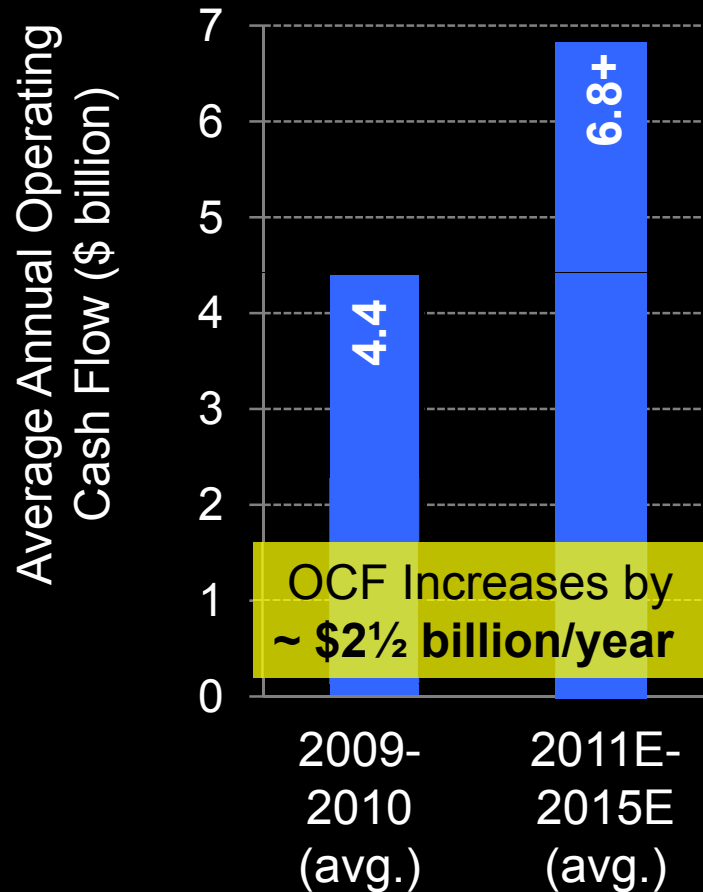


	Five-year CAGR
Net Revenue	8% to 11%
Operating Profit	8% to 10%
Adjusted EPS From Cont Ops	7% to 9%
<i>Average Annual Cash Available For Enhancing Shareholder Value</i>	<i>\$5.5 billion to \$6.5 billion</i>
Share Repurchase Contribution	3% to 6%
Total Adjusted EPS	10% to 15%



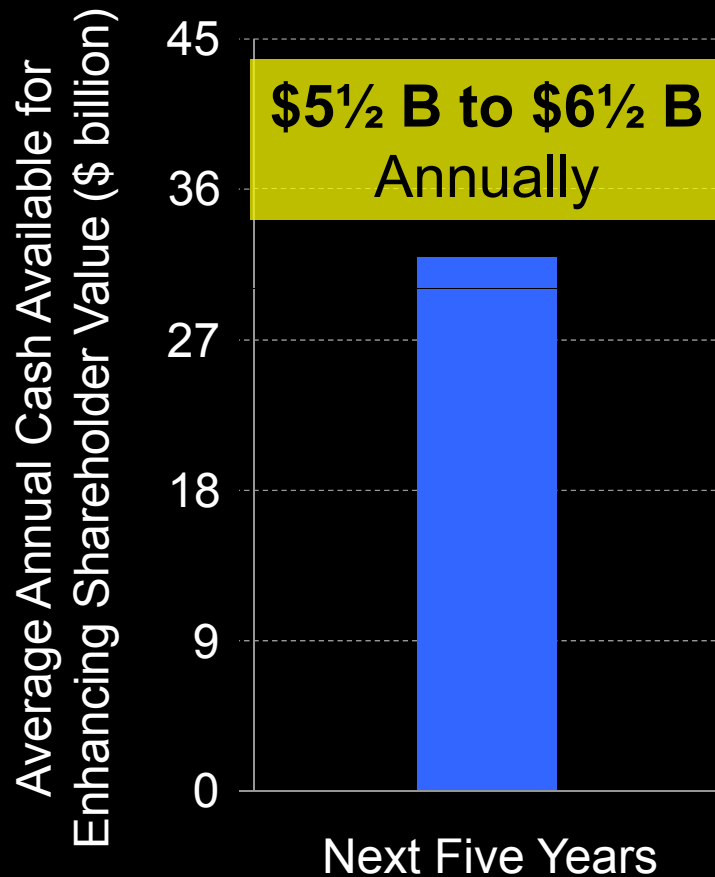
* Cash available for enhancing shareholder value = Free cash flow +/- change in net debt

Expect To Generate Significant Cash Flow Over The Next Five Years



* 2009 Free Cash Flow excludes \$600 million of delayed sale-leaseback transactions from 2008

Cash Deployment Guided By Disciplined, Risk-adjusted Decisions



- Increase Dividends
 - Target Payout Ratio Of 25% to 30%, by 2015
- Drive ROIC With Value-enhancing Projects
- Value-creating Share Repurchases
 - \$3 to \$4 Billion Per Year, On Average, Available After Dividends

* Cash available for enhancing shareholder value = Free cash flow +/- change in net debt

Positioned For Success In A Changing Health Care Environment



- Capitalizing On Favorable Industry Trends
- Continuing Superior Execution/Growth In Retail
- Focusing On Enterprise-wide Productivity Improvements
- Generating Significant Cash Flow
- Optimizing Capital Deployment
- Returning Our PBM To Healthy Operating Profit Growth