

William Blair & Company Growth Stock Conference

Dave Denton
EVP & CFO

June 12, 2012

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 Annual Report On Form 10-K For The Year Ended December 31, 2011, And Under The Caption "Cautionary Statement Concerning Forward Looking Statements" In Our Latest Quarterly Report On Form 10-Q. The Information In These Slides Is Based On Our Best Estimates And Information Known To Us On June 12, 2012 And CVS Caremark Assumes No Obligation And Expressly Disclaims Any Duty To Update Information Contained In These Slides Except As Required By Law.

Agenda

- Best-in-class Businesses Positioned For Healthy Growth
- Well Positioned To Address Key Health Care Challenges
- Leveraging Our Integrated “Sweet Spots” To Drive Innovation And Growth
- Focus On Enhancing Shareholder Value

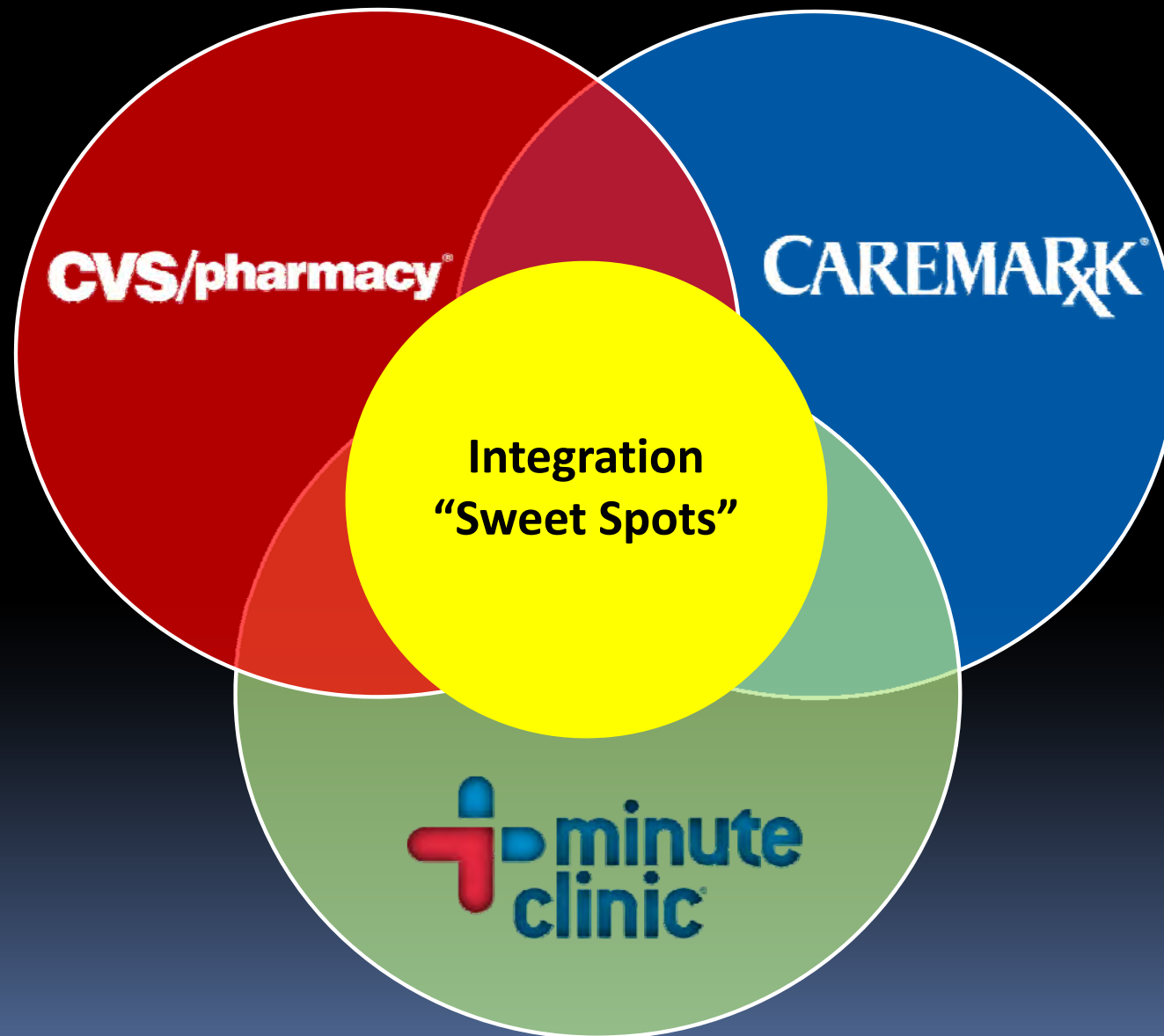
Best-in-class Business Units Each Positioned For Continued Healthy Growth...

CVS/pharmacy

CAREMARK

**minute
clinic**

...And We're Capitalizing On The Power Of Our
Combined Entity To Drive Superior Long-term Growth



CVS/pharmacy: World-class Retail Pharmacy Business



- Over 7,300 Stores
- 20% U.S. Rx Market Share
- #1 or #2 In 21 Of Top 25 Markets In The U.S.
- 75% Of U.S. Population Lives Within 3 Miles of a CVS/pharmacy
- Serve ~5 Million Customers Per Day
- 2% To 3% Retail Square Footage Growth Annually

Walgreens – Express Scripts Impasse Represents Significant Opportunity For Share Gains

December 2011: Estimated Potential Annualized Script Gain

% Of 90 Million Potential Scripts To Be Transferred From WAG

Share Captured By CVS/pharmacy		75%	85%
	25%	16.9	19.1
	30%	20.3	23.0

(In Millions)

- May 2012: Tracking Ahead Of Script Estimate

- CVS/pharmacy Overlap With Walgreens
 - > 40% Of Stores Within One Mile
 - ~ 80% Of Stores Within Three Miles
- Related Benefits Added 3¢ To Q1 2012 Adjusted EPS
- ~3¢ To 4¢ In Adjusted EPS Estimated In Q2 2012, If Impasse Unresolved

CVS/pharmacy:

Key Opportunities To Drive Future Growth

- Driving Front Store Growth Through...
 - Unique Customer Insights With ExtraCare
 - Enhanced Digital Capabilities
 - Store Clustering ...“My CVS”
 - Differentiated Store Brands
- Driving Pharmacy Growth Through...
 - Superior Customer Service
 - Increased Access
 - Patient Care Improvements
 - Capitalizing On Our Integration “Sweet Spots”



MinuteClinic: Pioneer and Leader In Retail Clinic Space

- Largest Retail Clinic Provider
- Health Care/Retail Leadership
- 11 Million Visits Since Inception
- Walk-in Care, 7 Days Per Week, Evenings/Holidays
- Evidence-based Guidelines
- 80% Third Party Coverage

Our services:



Get better

■ Minor illness exam	\$79-\$89
■ Minor injury exam	\$79-\$89
■ Skin condition exam	\$79-\$89

Stay healthy

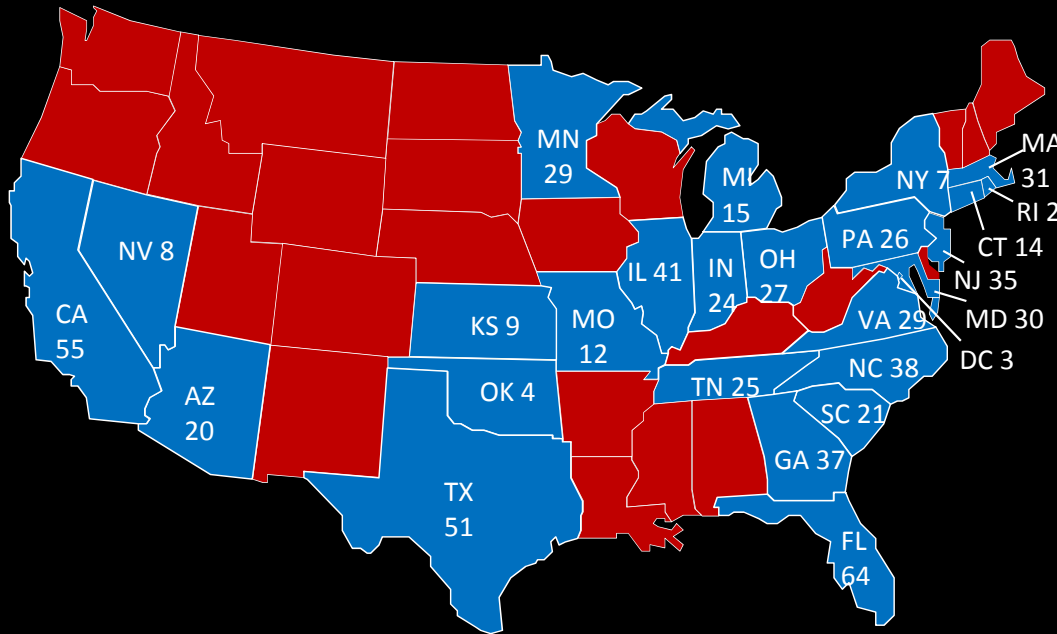
■ Wellness & physical exams	\$27-\$69
■ Health condition monitoring	\$59-\$89
■ Vaccinations	\$29.95-\$147

* Lab tests, additional services and visit complexity may result in additional charges. Pricing subject to change.

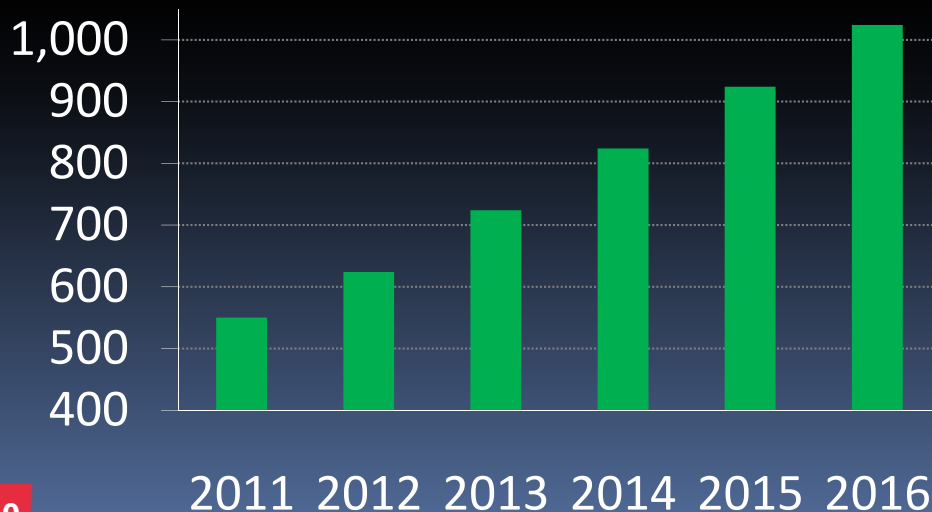
 **Sign in at the kiosk.** 



MinuteClinic: Key Opportunities To Drive Future Growth



Full-time MinuteClinics



- Expand Footprint
- Expand Scope Of Services
- Establish Health Systems Affiliations
- Collaborate With PBM Clients

Caremark: A Leading Pharmacy Benefits Manager

- Fill Or Manage ~20% Of All U.S. Scripts
- Over 60 Million Members
- Network Of Over 66,000 Pharmacies
- Deep Clinical Expertise
- Leading Specialty Pharmacy
- Broad Medicare Part D Offerings
- Top Managed Medicaid Provider



Caremark:

Key Opportunities To Drive Future Growth

- Momentum In New Business Wins And Retention
- Continue To Develop And Upsell Unique Offerings That Capitalize On Integration “Sweet Spots”
- Focus On High-growth Areas: Medicare, Medicaid, And Specialty Pharmacy
- Execute Successfully On Streamlining Initiative

\$23 Billion In Net-new Business Over The Past Two Selling Seasons

Cumulative Net-new Business

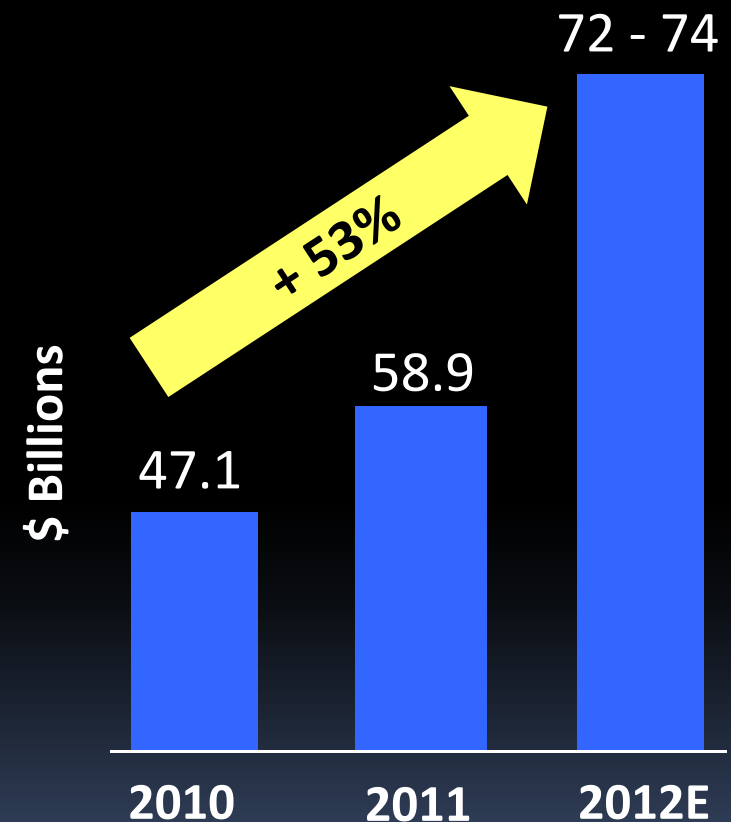
(In Billions)

2011 Net-new: \$10.8

2012 Net-new: \$12.6

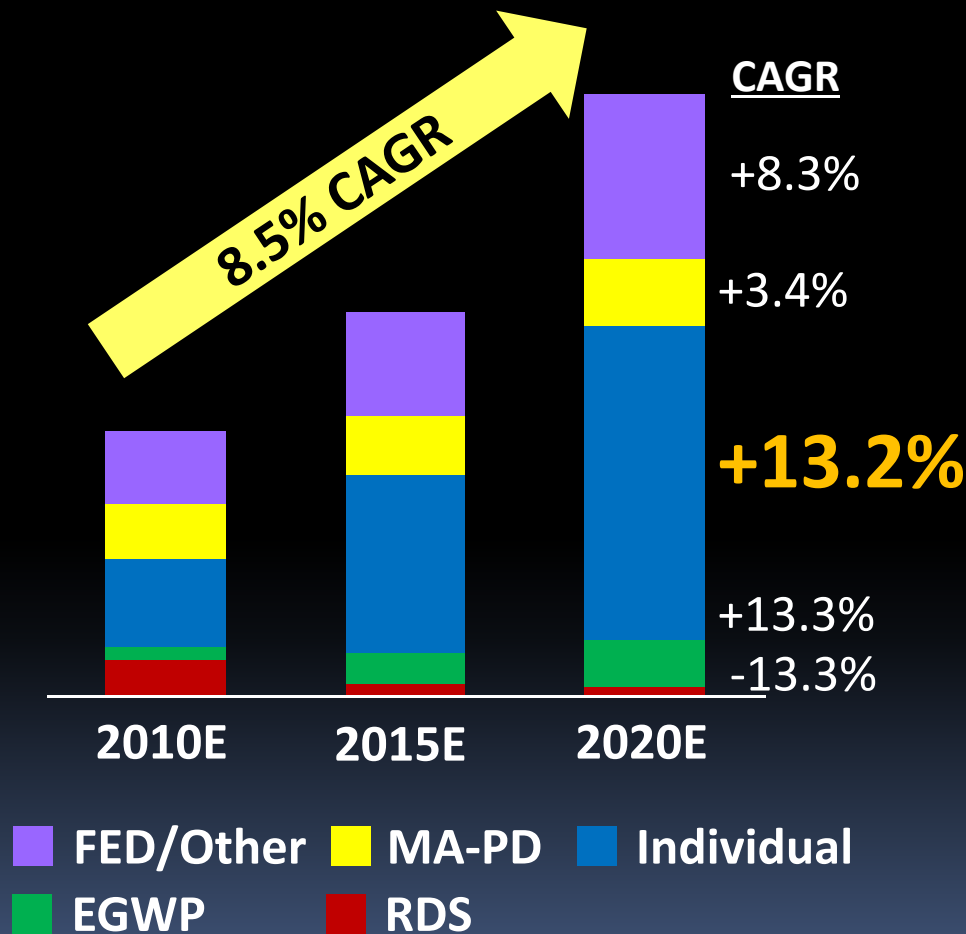
Two-year Total: \$23.4

Total Revenues

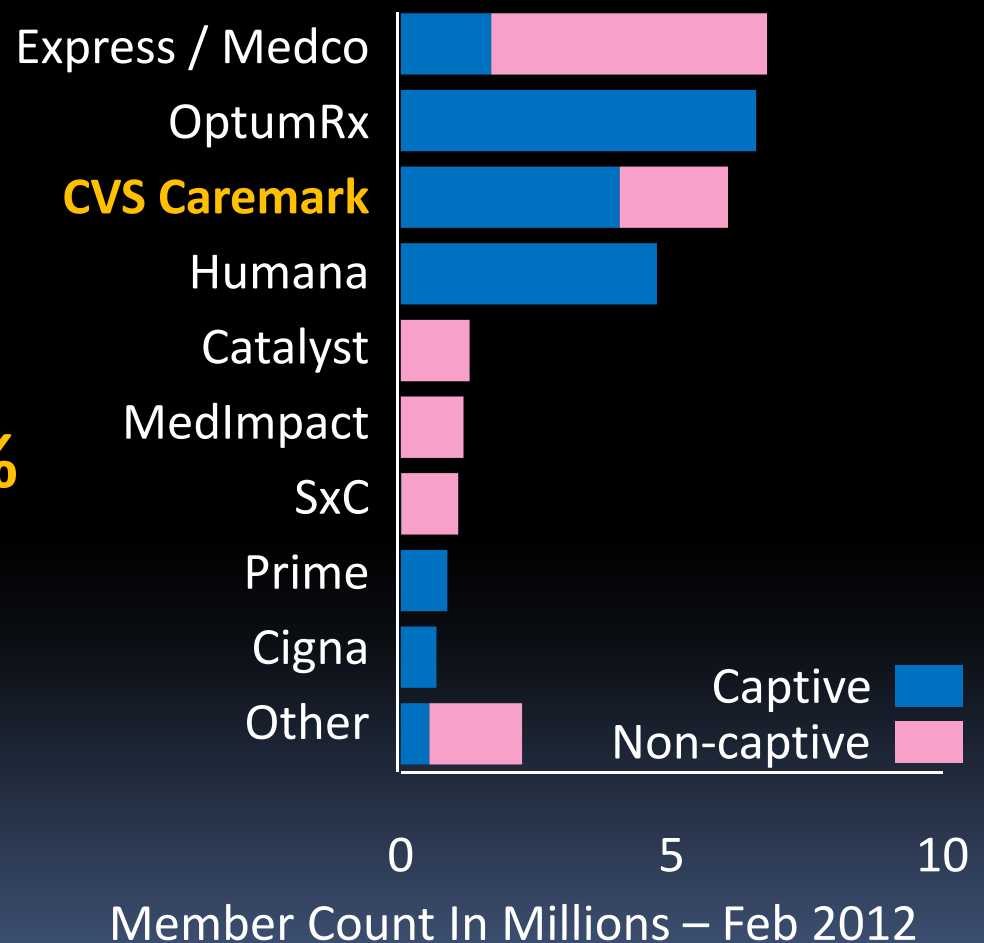


Focused On High-growth Markets: Medicare

Drug Spend By Medicare-Eligibles

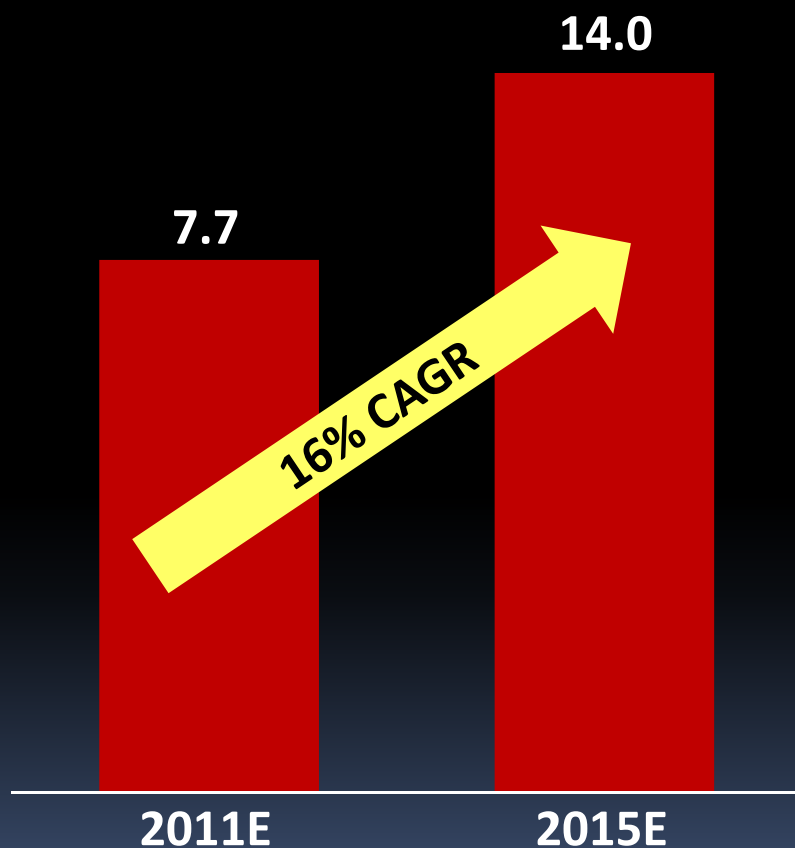


Medicare Members Served By PBM

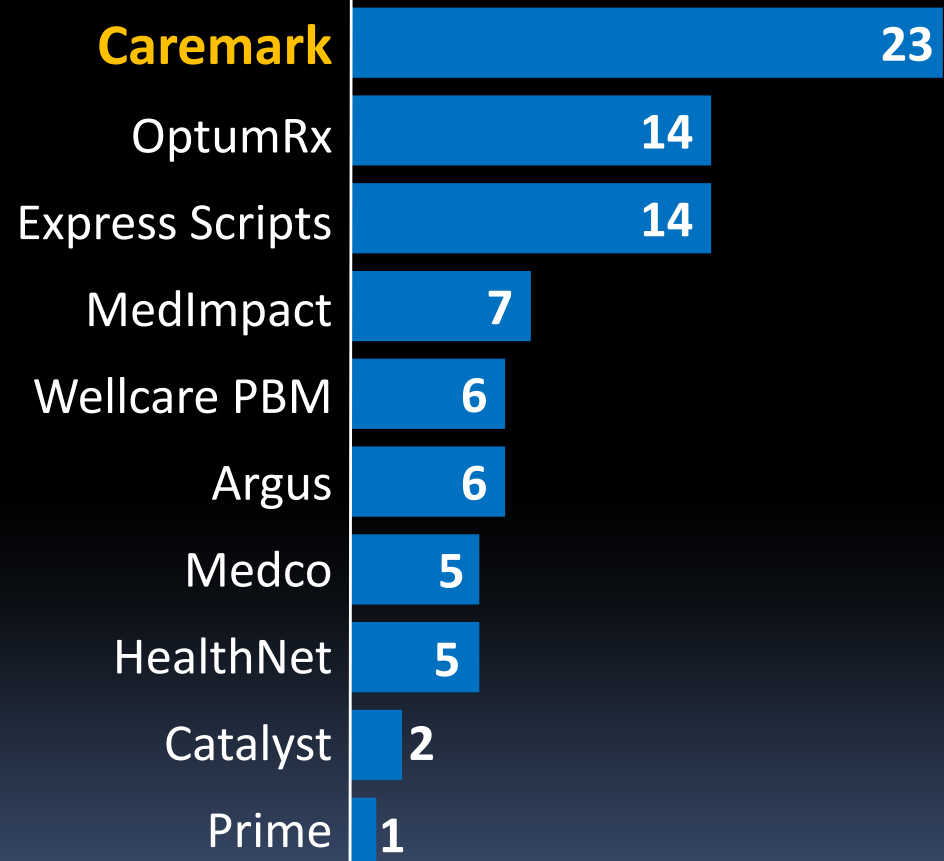


Focused On High-growth Markets: Managed Medicaid

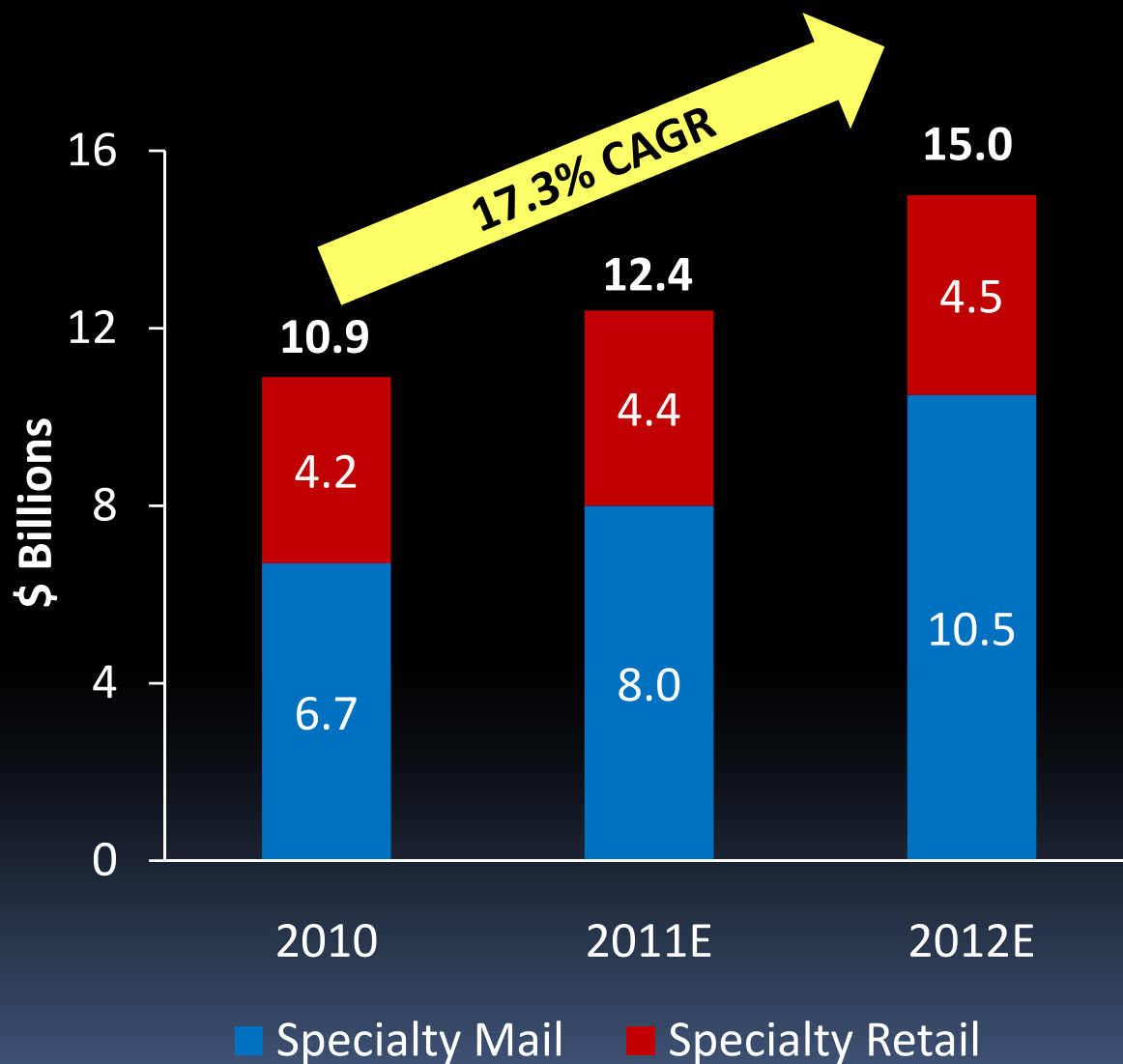
Projected Managed Medicaid
Drug Spend (\$B)



2011 Managed Medicaid PBM
Market (Estimated % Of Lives)



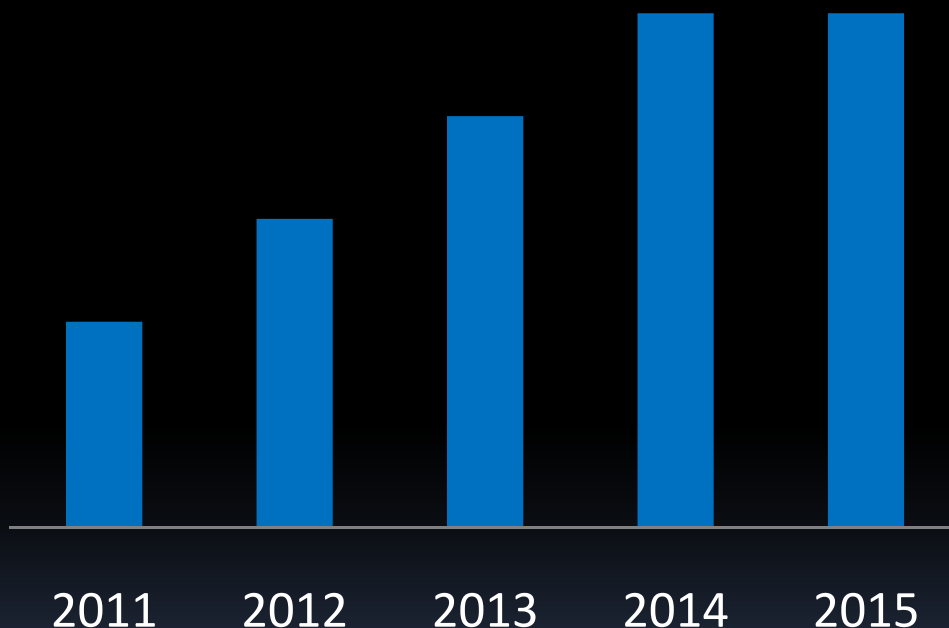
Focused On High-growth Markets: Specialty Pharmacy



- Streamlining Fulfillment And Clinical Operations
- Investing In Technology
- Introduced Programs To Manage Drugs Covered Under The Medical Benefit

Streamlining Initiative Expected To Deliver More Than \$1 Billion In Savings From 2011 Through 2015

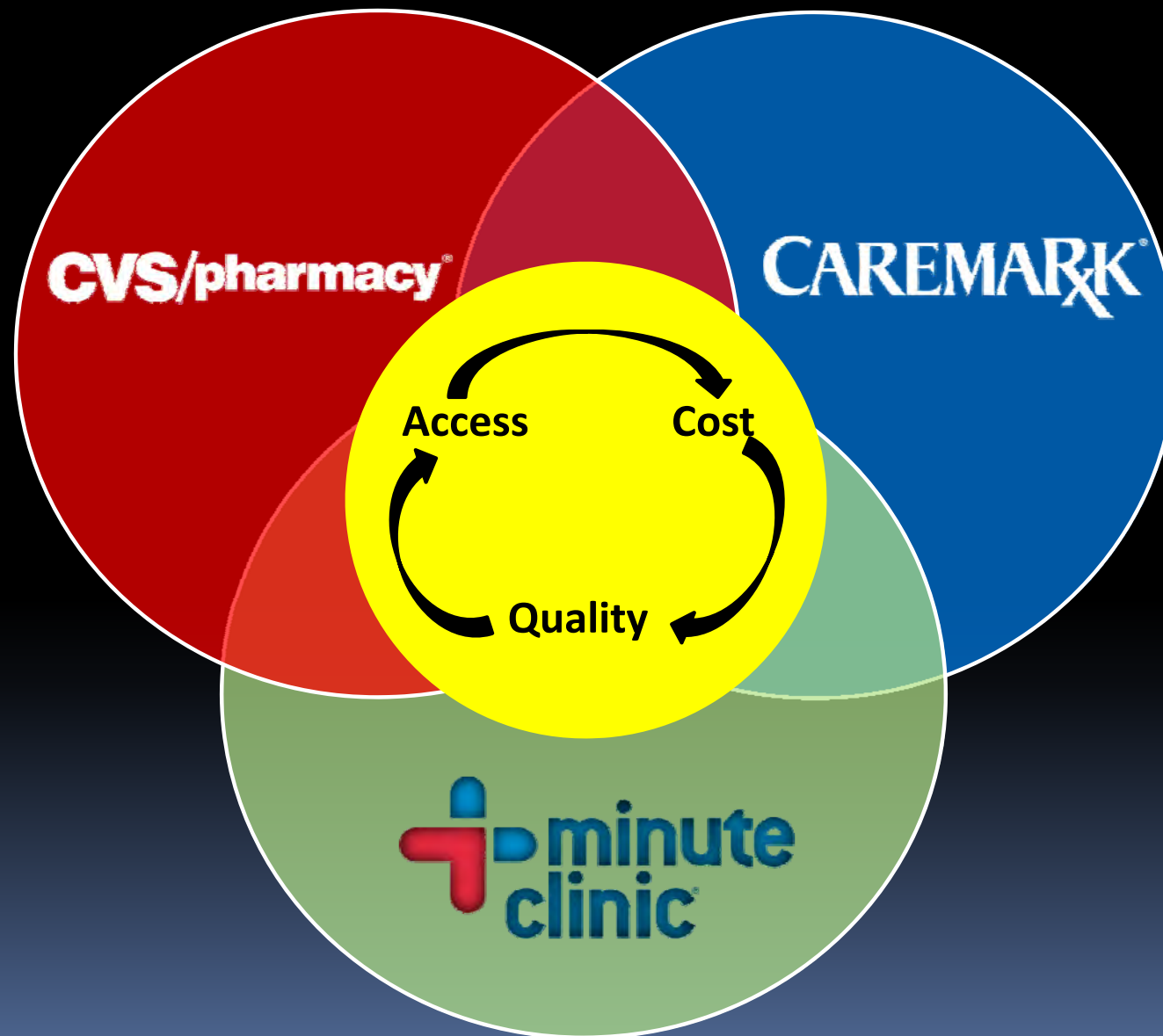
**\$225 to \$275 Million In
Estimated Annual Savings**



Savings Will Exceed Costs In 2012

- New Automated Mail Pharmacy On Line In The Back Half Of 2012
- Platform Consolidation Progressing Toward 2013 Completion
- Caremark.com Redesign To Improve Member Experience
- Workflow Process Redesign To Improve Efficiency
- Continued Facilities Consolidation

Reinventing Pharmacy For Better Health

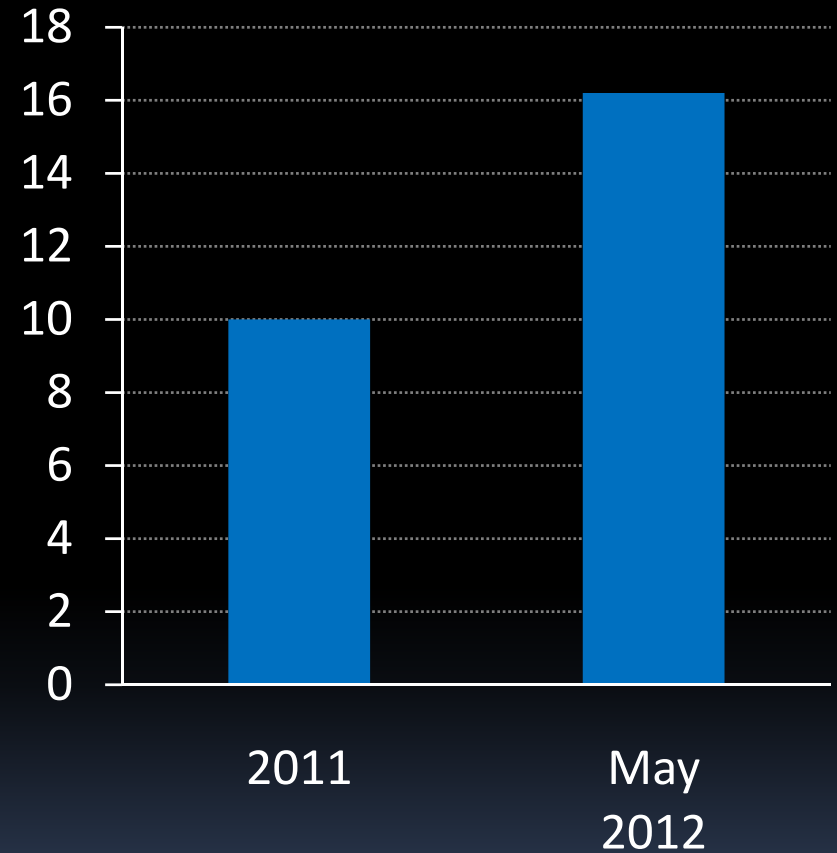


Our Integrated Programs Have Been Highly Successful In The Marketplace

Maintenance Choice Lives



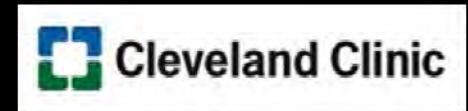
Pharmacy Advisor Lives



**Programs Driving Substantial Cost Savings
And Improving Health Outcomes**

Innovative New Solutions Leverage Our Integration Sweet Spots

- Winning In Medicare
- Integrated Specialty
- Maintenance Choice 2.0
- Pharmacy Advisor 3.0
- Digital Strategy
- Health System Alliances
- Caremark Member Care At MinuteClinic



Focused On Enhancing Shareholder Value

Driving Productive Long-term Growth

- *Steady State* Targets

Generating Significant Cash Flow

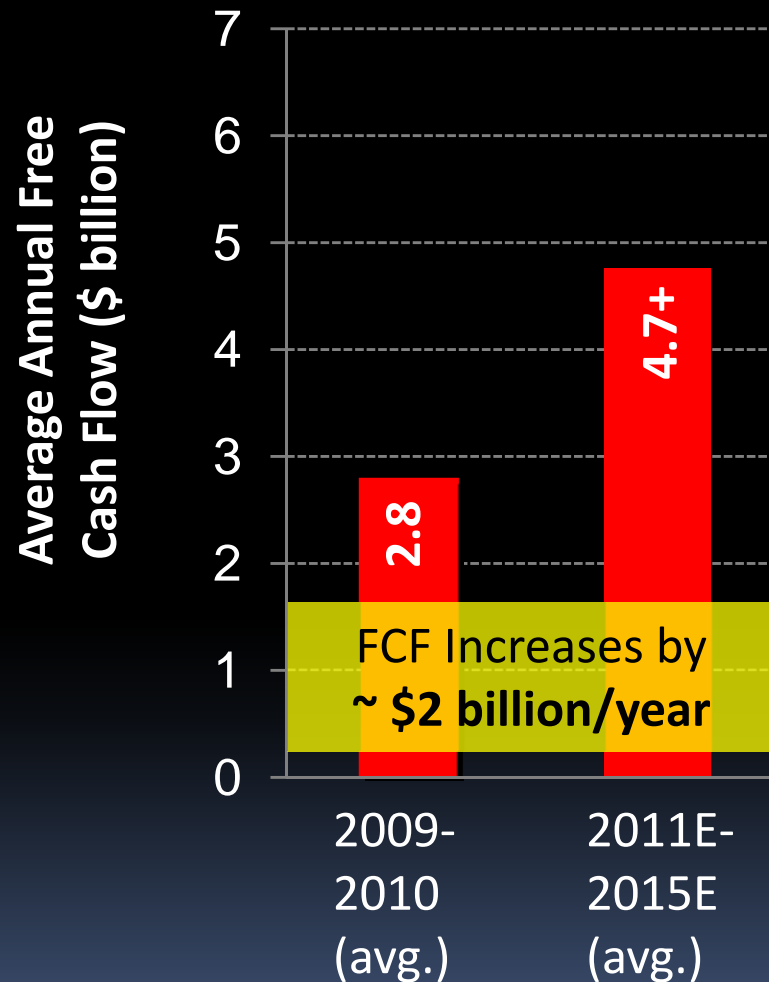
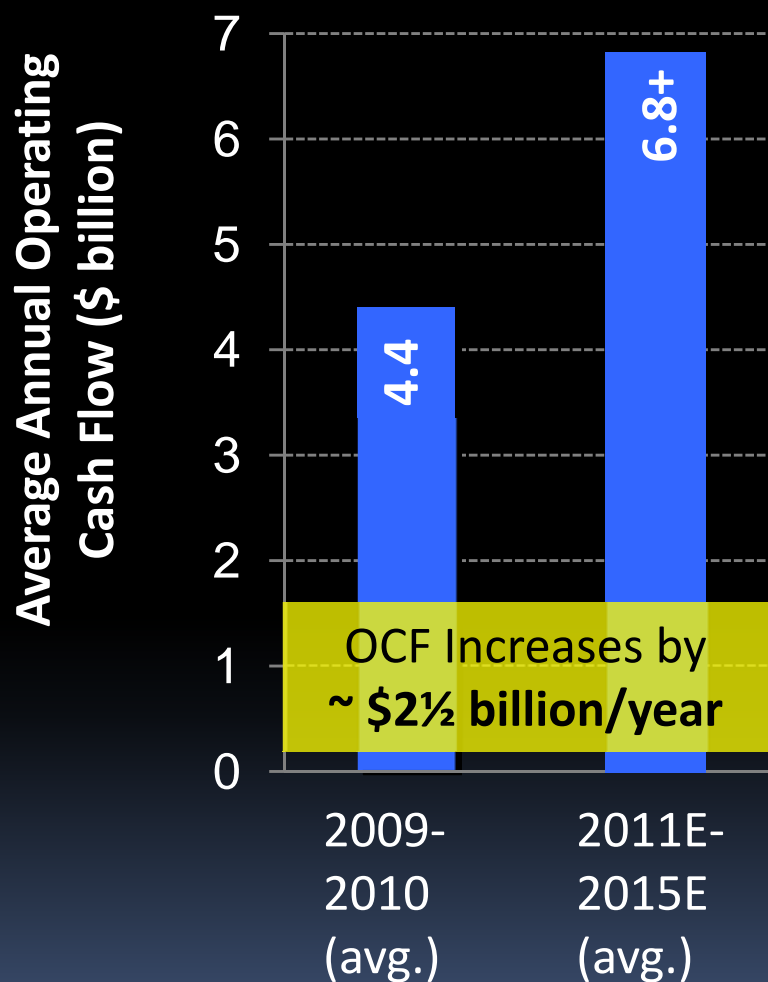
- Improve Working Capital
- Focus On Returns

Optimizing Capital Deployment

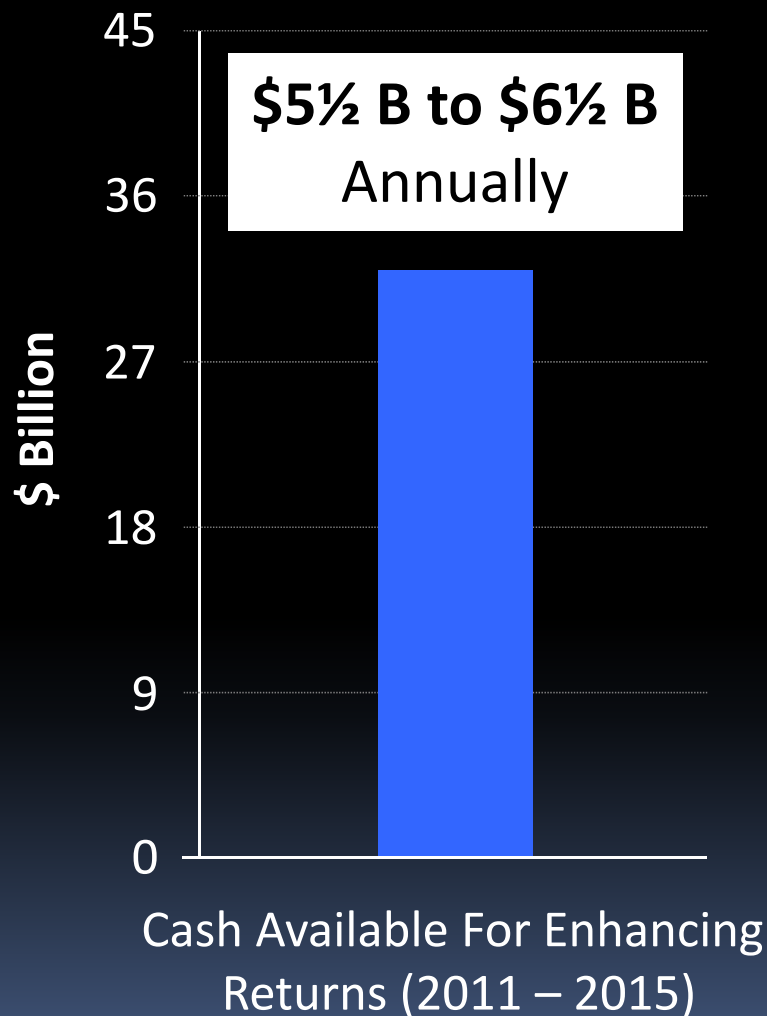
- Operate Within Target Leverage Range
- Utilize Cash Flow To Improve Returns

Enhancing
Shareholder
Value

Generating Significant, Growing Cash Flow

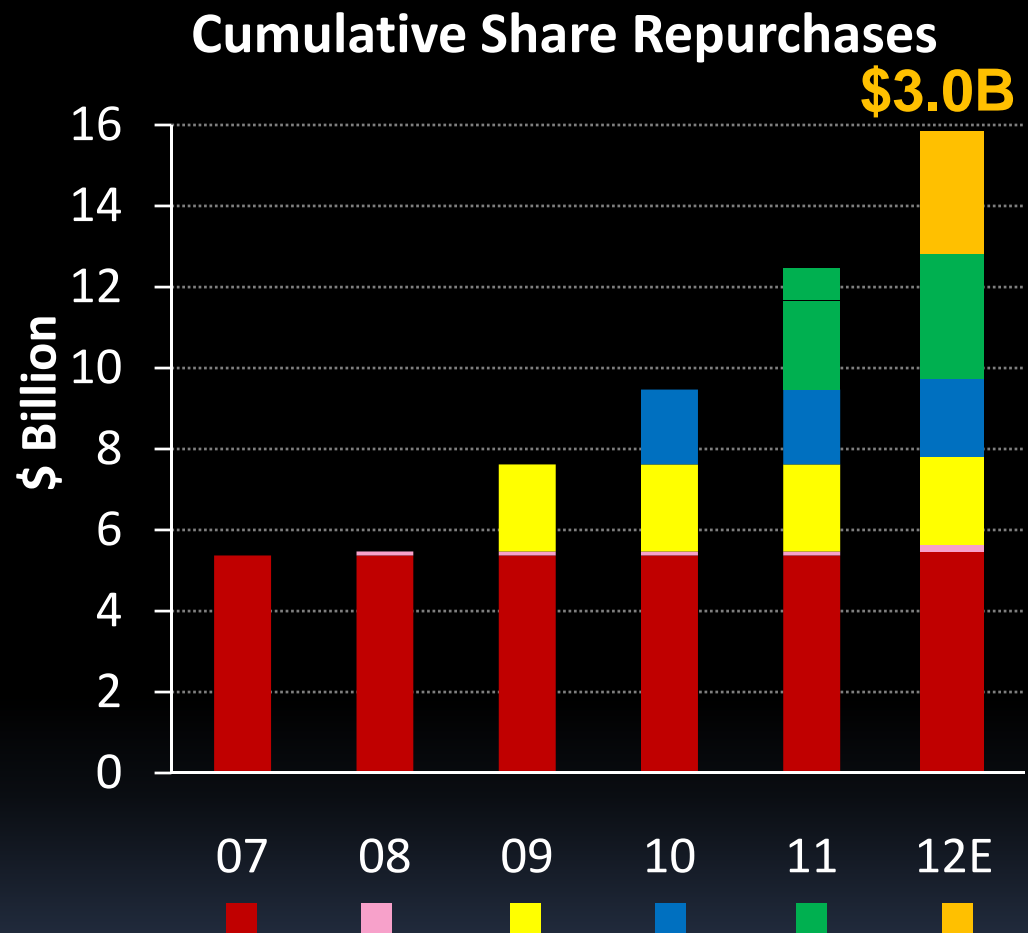
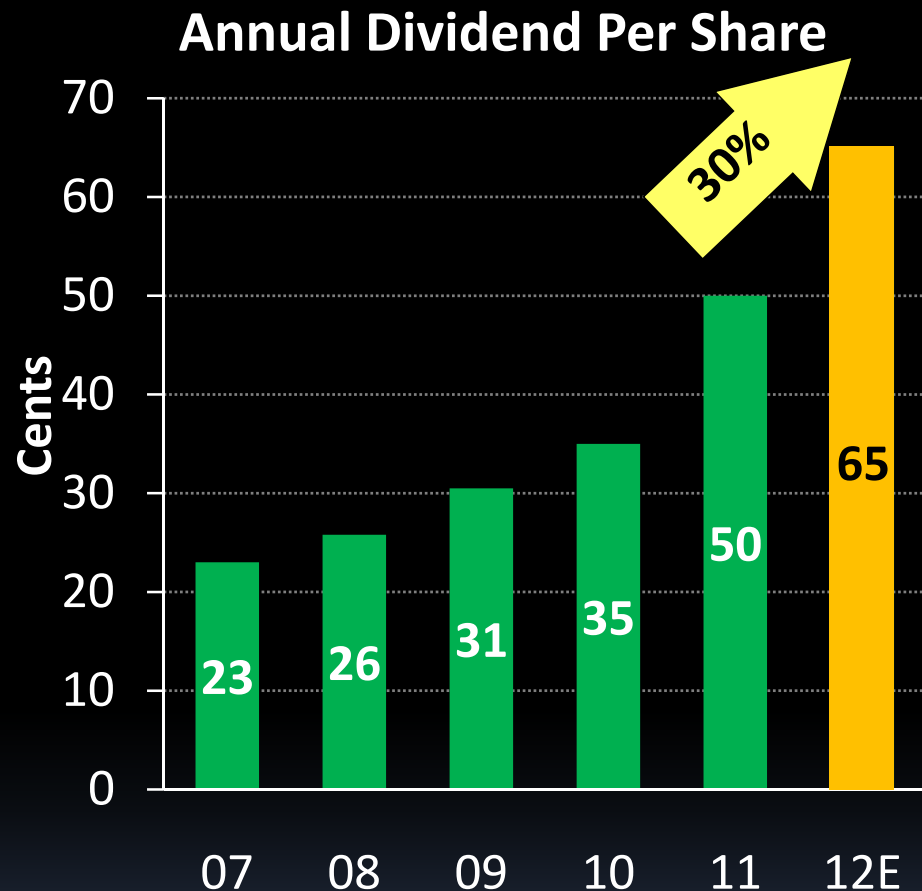


Cash Deployment Guided By Disciplined, Risk-adjusted Decisions



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

Significant Dividend Increase And Share Repurchases Planned In 2012



**Increased Annual Dividend By 30% In 2012,
And Expect To Complete \$3.0 Billion In Share Repurchases**

Reinventing Pharmacy For Better Health... And Better Shareholder Value

- Best-in-class Businesses Positioned For Healthy Growth
- Capitalizing On Opportunities Resulting From Marketplace Disruption
- Leveraging The Power Of Our Integration “Sweet Spots” To Drive Superior Long-term Growth And Value
- Disciplined Approach To Capital Allocation Drives Shareholder Value