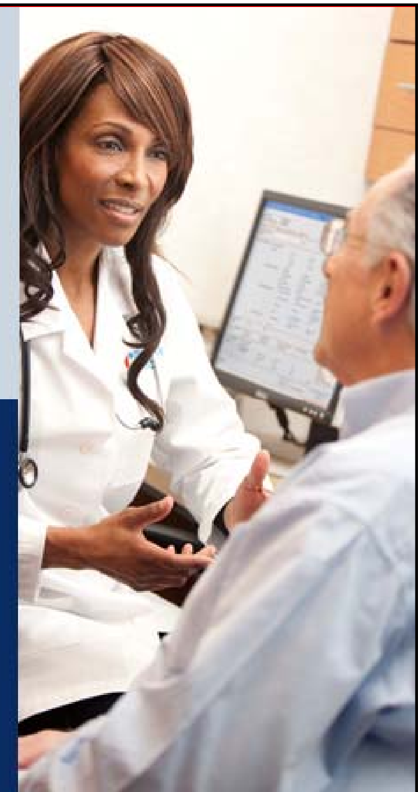

CVS CAREMARK

Second Quarter 2013 Earnings Conference Call

Larry Merlo
President & Chief Executive Officer

Dave Denton
Executive Vice President & Chief Financial Officer

August 6, 2013

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 August 6, 2013 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.

Strong Second Quarter Results

(operating profit figures in millions)	Q2 2013	Change vs. Q2 2012
Operating Profit	$1,968	15.2%
PBM Operating Profit	$675	32.0%
Retail Operating Profit	$1,596	8.6%
Adjusted EPS	$0.97	19.6%
GAAP diluted EPS	$0.91	20.8%

Note:

1. Adjusted EPS equals income before income tax provision plus amortization, less adjusted income tax provision, plus net loss attributable to non-controlling interest divided by the weighted average diluted common shares outstanding. The adjusted income tax provision is computed using the effective income tax rate from the consolidated statement of income.

Full-year 2013 Adjusted EPS Guidance

	Prior guidance	Updated guidance
Adjusted EPS	$3.89 to $4.00	$3.90 to $3.96
Year-over-year growth	*13.0% to 16.5%*	*13.5% to 15.25%*

- Key driver of lowering high-end of range is higher-than-forecast weighted-average share count
  - Engaged in extensive settlement negotiations with SEC in Q2 and suspended share repurchase activity as a result
  - Plan to resume repurchasing in Q3 and expect to complete $4 billion planned for 2013

Notes:

1. Adjusted EPS equals income before income tax provision plus amortization, less adjusted income tax provision, plus net loss attributable to non-controlling interest divided by the weighted average diluted common shares outstanding. The adjusted income tax provision is computed using the effective income tax rate from the consolidated statement of income.
2. Guidance assumes completion of $4 billion in share repurchases during 2013, as part of a $6.0 billion share repurchase program authorized by CVS Caremark's board of directors in September 2012.
3. Adjusted EPS year-over-year growth rates calculated after excluding debt refinancing impact in 2012.
4. Guidance includes one less day in 2013 versus 2012 for leap year.

PBM Business:
Successful 2014 Selling Season to Date

- Gross new wins total $4.4 billion; net-new wins stand at $1.7 billion
  - Integrated model continues to resonate well in the marketplace
  - Completed almost 50% of renewals; 97% retention rate to-date

PBM Business:
Clients Focused On Specialty And Health Care Reform

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- Specialty pharmacy is a key focus of clients
  - Seeing interest across our entire suite of specialty capabilities
  - Differentiated approach to specialty drives overall lower costs while improving health and providing value for patients and payors
  - Specialty revenues increased 19% in Q2 2013 Vs. Q2 2012
    - Primary drivers of growth: drug price inflation, utilization, new product launches and new PBM clients
- Clients are focused on the changes coming from the Affordable Care Act
  - Believe that Medicaid expansion and individual small group coverage in the public exchanges will be a long term secular growth trend
  - Details around exchanges including plan participants, plan design and rates continue to emerge
  - Well positioned with a strong retail footprint and existing relationships with health plans and managed Medicaid plans
  - Have had a lot of dialogue with health plans about collaborating on innovative programs that support their overall exchange strategies
  - All of the activity around the exchanges will serve as a catalyst for broader collaboration opportunities with health plans

PBM Business:
Streamlining Initiative Update

- PBM streamlining initiative
  - Remain on track to achieve expected annual savings run rate of $225 - $275 million in 2014
  - Continue to leverage resources and technology investments, to refine processes, and to improve efficiencies resulting in moving more clients and limiting potential disruption in each successive wave
  - 85% of our business is scheduled to be on the destination platform by year-end

PBM Business:
Medicare Part D

- Currently serve 6.8 million members
  - Health plan clients (2.4 million members)
  - SilverScript PDP business
    - EGWPs (slightly under 1.0 million members)
    - Individual PDP (approximately 3.4 million members)
- Preliminary 2014 PDP benchmarks
  - SilverScript below the benchmark or within de minimis range in 31 of 34 regions
  - Missed benchmark only in one small region in which we qualify today … roughly 2,000 lives subject to reassignment to another plan
  - Aside from any normal attrition, results should enable us to retain vast majority of current auto-assignees

PBM Business: Medicare Part D

- Update on CMS sanction and remediation
  - Sanction prevents CVS Caremark from marketing SilverScript PDP business or enrolling new members until lifted
  - Goal has been to complete remediation efforts to lift sanction before annual enrollment period for 2014 plan year (October 15th through December 7th)
  - Remediation plan revised and timeline expanded to account for additional complexity and strong commitment to ensuring readiness to operate at best-in-class levels
  - Now expect remediation efforts to be completed sometime near the end of the year
  - Once remediation is complete, sanction to be removed upon review and approval of CMS
  - Do not expect to be able to participate in 2014 annual enrollment period when it begins in October
  - Until sanction is lifted, do not expect to receive new auto assigns for 2014 in regions where we qualified
  - Sanction primarily affects individual SilverScript PDP business; does not affect Medicare Part D business through the health plans we serve
  - Limited CMS waiver for EGWP lives allows us to enroll newly-eligible retirees into existing plans

PBM Business: Medicare Part D

- Preliminary implications of longer timeline
  - Assuming sanction not lifted prior to year-end, should roughly expect …
    - Retention of vast majority of current 2.5 million low-income subsidy enrollees (based on preliminary results of bid)
    - Retention of majority of 900,000 non-LIS chooser lives based on the historic competitiveness of our products; these enrollees previously chose SilverScript as their PDP
    - Some normal attrition of enrollees … due to death, relocation and other normal member eligibility factors (consistent with typical Medicare part D plan)
      - Estimated to continue at rate of roughly 25,000 lives per month, except in January as rates among non-LIS choosers are generally higher after the typical decision-making process during annual enrollment
      - Estimate PDP members could decrease by roughly 350,000 (using historical attrition rates), leaving us with ~3.1 million members by the end of January 2014
  - Ability to expand Medicare Part D lives for 2014 is limited
  - Working diligently to have sanction lifted as soon as possible in order to be able to enroll new members and to participate in the individual age-in process through next year
  - Still see significant opportunity to grow Medicare Part D business over the long-term despite challenge for 2014

Retail Business: Strong Retention And Continued Script Comp Growth

- Retention of scripts gained from Walgreens - Express Scripts impasse continues to exceed expectations
  - Remain very confident in ability to retain at least 60% of scripts in 2013
- Same-store sales increased 0.4%
  - Pharmacy comps increased 0.8%
    - Negative impact of ~670 basis points from new generic drug introductions
  - Script comps increased 1.8% when counting 90-day scripts as one script, and increased 5.0% when counting 90-day supplies as three scripts
  - Front store comps decreased 0.4%, impacted largely by the shift in Easter holiday (from April 2012 to March 2013), which had a negative impact of ~65 basis points
- Pharmacy traffic was up, front store traffic was down while the average front store ticket continued to increase in the second quarter

Retail Business: Front Store Trends And Real Estate

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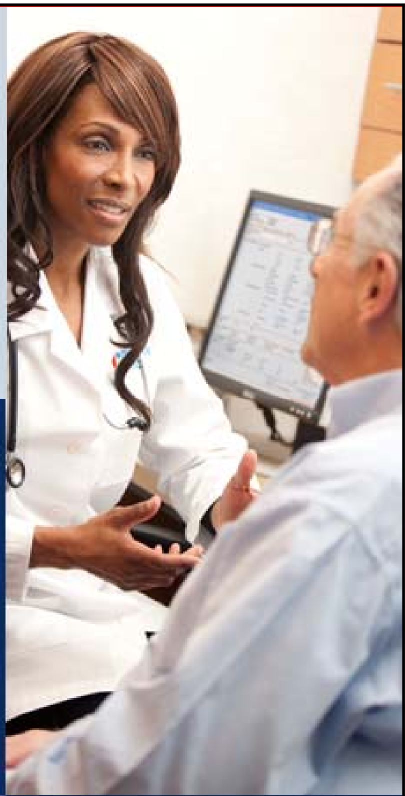
- Despite slight decrease in front store comps, front store margins expanded nicely in the quarter
- Continue to drive more profitable sales through targeted promotions we offer ExtraCare cardholders; focused on personalization to accomplish this
  - To gain a bigger share of wallet, we have identified customer-specific opportunities for increasing frequency of shop and basket size
- When compared to drug store and "multi-outlet" competitors, front store market share growth in the second quarter was 71 basis points and 8 basis points, respectively
- Real estate update
  - In the second quarter we opened 47 new or relocated stores and closed one … total of 22 net-new stores
  - On pace to achieve 2%-3% square footage growth target for 2013

Note:
1. Multi-outlet includes the following channels/retailers: food, drug, mass, club stores, and dollar stores

Retail Business: Continued Strong Growth At MinuteClinic

- Revenues increased 32% in the second quarter
- Opened 35 net-new clinics in the quarter … ended quarter with total of 684 total clinics in 25 states and Washington D.C.
  - Expect to open a total of 150 clinics during the year and to end 2013 with about 790 clinics
- Longer-term goal is to create a national primary care platform to provide integrated, high-quality care that is convenient, accessible, and affordable
  - Will continue to develop new services to address shortage of primary care physicians and to support patients impacted by the epidemic of chronic disease
  - MinuteClinic further supports the primary care medical home model with connectivity through electronic health records to numerous health system alliances



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Second Quarter 2013 Earnings Conference Call

Financial Review

August 6, 2013

Dave Denton

Executive Vice President & Chief Financial Officer

Financial Update:
Capital Allocation And Cash Flows

- Paid total of $276m in dividends in second quarter; $553m year-to-date total
  - On track to achieve payout ratio of 25% by end of 2013 … two years ahead of schedule
- Value-creating share repurchases
  - Repurchased total of ~6.4m shares for $355m in second quarter ($55.39 per share average)
  - Suspended repurchase activity during the second quarter while settlement discussions with the SEC were taking place
  - Still expect to complete planned $4 billion of share repurchases in 2013
- Returned more than $1.3b to shareholders in the first half of 2013
- Continue to expect to return ~$5b to shareholders in 2013
- Generated ~$1.7b of free cash through the first two quarters of 2013
- Maintaining our guidance for free cash flow of between **$4.8b and $5.1b**

Second Quarter 2013: Consolidated Results

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(in millions, except per share amounts)	Q2 2013	Change vs. Q2 2012
Net revenues	$ 31,248.3	1.7%
Gross profit	5,835.6	7.1%
Gross margin	*18.7%*	*93 bps*
Total operating expenses	3,868.4	3.4%
Operating expense as % of revenues . . .	*12.4%*	*(20 bps)*
Operating profit	1,967.2	15.2%
Operating margin	*6.3%*	*74 bps*
GAAP Diluted EPS.	$ 0.91	20.8%
Adjusted EPS.	$ 0.97	19.6%

Note:

1. Adjusted EPS equals income before income tax provision plus amortization, less adjusted income tax provision, plus net loss attributable to non-controlling interest divided by the weighted average diluted common shares outstanding. The adjusted income tax provision is computed using the effective income tax rate from the consolidated statement of income.

Second Quarter 2013: Pharmacy Services Segment

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(in millions)	Q2 2013	Change vs. Q2 2012
Net revenues	$ 18,799.8	2.0%
Gross profit	963.5	23.9%
Gross margin	*5.1%*	*91 bps*
Total operating expenses	288.1	8.3%
Operating expense as % of revenues . . .	*1.5%*	*(9 bps)*
Operating profit	675.4	32.0%
Operating margin	*3.6%*	*82 bps*
EBITDA	814.7	27.2%
EBITDA margin	*4.3%*	*86 bps*

Second Quarter 2013: Pharmacy Services Segment

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(in millions, except EBITDA / Adjusted claim)	**Q2 2013**	**Change vs. Q2 2012**
Net revenues		
Mail choice	$ 6,035.8	5.1%
Pharmacy network	12,708.9	0.7%
Other	55.1	2.6%
Pharmacy claims processed		
Total	226.6	3.8%
Mail choice	20.7	1.0%
Pharmacy network	205.9	4.1%
Total adjusted claims	265.3	3.4%
Generic dispensing rate	80.7%	273 bps
Mail choice dispensing rate	75.8%	460 bps

Second Quarter 2013: Retail Pharmacy Segment

(in millions)	Q2 2013	Change vs. Q2 2012
Net revenues	$ 16,139.5	1.9%
Gross profit	4,999.6	4.8%
Gross margin	*31.0%*	*88 bps*
Total operating expenses	3,404.3	3.2%
Operating expense as % of revenues . . .	*21.1%*	*(27 bps)*
Operating profit	1,595.3	8.6%
Operating margin	*9.9%*	*61 bps*
EBITDA	1,883.2	7.6%
EBITDA margin	*11.7%*	*62 bps*

Second Quarter 2013: Retail Pharmacy Segment

(in millions)	Q2 2013	Change vs. Q2 2012
Net revenues		
Pharmacy	$ 11,145.3	2.2%
Front store	4,994.1	1.1%
Retail prescriptions filled		
90-day counted as 1	181.1	2.6%
90-day counted as 3	220.3	5.6%
Same store sales increase / (decrease) over prior year		
Total	0.4%	
Pharmacy	0.8%	
Front store	(0.4%)	
Rx Volume (90-day counted as 1)	1.8%	
Rx Volume (90-day counted as 3)	5.0%	
Generic dispensing rate	81.9%	280 bps

2013 Guidance: Enterprise Revenue & Earnings Per Share

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	Full-year 2013
Net revenue growth	2.0% to 3.0%
GAAP diluted EPS	$3.65 to $3.71
Adjusted EPS	$3.90 to $3.96
Year-over-year growth	*13.5% to 15.25%*

Notes:
1. Adjusted EPS equals income before income tax provision plus amortization, less adjusted income tax provision, plus net loss attributable to non-controlling interest divided by the weighted average diluted common shares outstanding. The adjusted income tax provision is computed using the effective income tax rate from the consolidated statement of income.
2. Guidance assumes completion of $4 billion in share repurchases during 2013, as part of a $6.0 billion share repurchase program authorized by CVS Caremark's board of directors in September 2012.
3. Adjusted EPS year-over-year growth rates calculated after excluding debt refinancing impact in 2012.
4. Guidance includes one less day in 2013 versus 2012 for leap year.

2013 Guidance: Pharmacy Services Segment

	Full-year 2013
Net revenue growth	2.0% to 3.0%
Total adjusted claims	*1.050b to 1.058b*
Gross profit margin	Modestly Up
Operating expense (% of revenue)	Flattish
Operating profit growth	11.0% to 13.0%
Operating profit margin	Up 30 bps to 35 bps

Note:
1. Guidance includes one less day in 2013 versus 2012 for leap year.

2013 Guidance:
Retail Pharmacy Segment

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	Full-year 2013
Net revenue growth	2.25% to 3.25%
Same store sales	*1.0% to 2.0%*
Same store scripts (90-day as 1)	*1.5% to 2.5%*
Same store scripts (90-day as 3)	*4.0% to 5.0%*
Gross profit margin	Up Moderately
Operating expense (% of revenue)	Flat to down
Operating profit growth	9.0% to 10.0%
Operating profit margin	Up 55 bps to 60 bps

Note:
1. Guidance, including "same store" estimates, includes one less day in 2013 versus 2012 for leap year.

2013 Guidance: Consolidated Income Statement

	Full-year 2013
Corporate segment expense	\$745m to \$760m
Intercompany eliminations *(% of combined segment revenues)*	~ 10.3%
Gross profit margin	Moderately Up
Operating expense *(% of revenue)*	Flat to down
Operating profit margin	Up 35 bps to 40 bps

Notes:

1. Guidance assumes completion of \$4 billion in share repurchases during 2013, as part of a \$6.0 billion share repurchase program authorized by CVS Caremark's board of directors in September 2012.
2. Guidance includes one less day in 2013 versus 2012 for leap year.

2013 Guidance:
Consolidated Income Statement

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	Full-year 2013
Net interest expense	$500m to $510m
Effective tax rate	~ 39%
Weighted average shares	~ 1.23b
Consolidated amortization	~ $495m
Consolidated D&A	~ $1.9b

Notes:

1. Guidance assumes completion of $4 billion in share repurchases during 2013, as part of a $6.0 billion share repurchase program authorized by CVS Caremark's board of directors in September 2012.
2. Guidance includes one less day in 2013 versus 2012 for leap year.

2013 Guidance:
Cash Flow And Capital Expenditures

(billions)	**Full-year 2013**
Operating cash flow	$6.4 to $6.6
Gross capital expenditures	*($2.2) to ($2.0)*
Sale-leaseback proceeds	*$0.5 to $0.6*
Net capital expenditures	($1.6) to ($1.5)
Free cash flow	**$4.8 to $5.1**

Notes:
1. The Company finances a portion of its store development program through sale-leaseback transactions. Use of sale-leaseback financing is subject to change, as we evaluate a variety of financing vehicles for future development; this may also result in changes to our definition of free cash flow.
2. Guidance includes one less day in 2013 versus 2012 for leap year.
3. Figures might not foot due to rounding.

Third Quarter 2013 Guidance: Enterprise Revenue & Earnings Per Share

	Q3 2013
Net revenue growth	4.0% to 5.5%
GAAP diluted EPS	94¢ to 97¢
Adjusted EPS	$1.00 to $1.03
Year-over-year growth	*17.0% to 21.0%*

Note:

1. Guidance assumes completion of $4 billion in share repurchases during 2013, as part of a $6.0 billion share repurchase program authorized by CVS Caremark's board of directors in September 2012.

Third Quarter 2013 Guidance: Segment Breakdown

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		Q3 2013
Pharmacy Services	Net revenue growth	4.5% to 5.5%
	Operating profit growth	19.0% to 23.0%
Retail Pharmacy	Net revenue growth	4.0% to 5.5%
	Same store sales	*3.0% to 4.25%*
	Same store scripts (90-day as 1)	*1.25% to 2.25%*
	Same store scripts (90-day as 3)	*3.75% to 4.75%*
	Operating profit growth	7.5% to 9.0%

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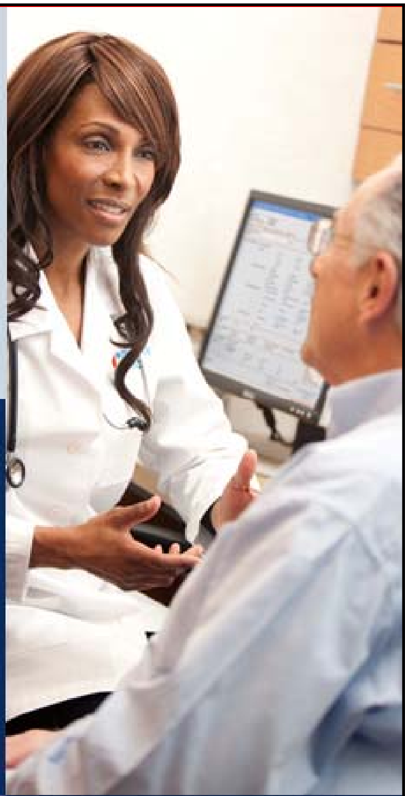

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