Reconciliation of Non-GAAP Items Required by SEC Rules

Below is a reconciliation of non-GAAP items disclosed for the respective periods to their most directly comparable GAAP measures.

ACTUAL RESULTS

ADJUSTED EARNINGS PER SHARE

CVS Caremark defines Adjusted Earnings Per Share as income before income tax provision plus amortization, less adjusted income tax provision, plus net loss attributable to noncontrolling interest divided by the weighted average diluted common shares outstanding. The following is a reconciliation of income before income tax provision to Adjusted Earnings Per Share:

In millions, except per share amounts	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Income before income tax provision	**$ 1,842**	$ 1,576	**$ 3,415**	$ 2,848
Amortization	**124**	123	**246**	241
Adjusted income before income tax provision	**1,966**	1,699	**3,661**	3,089
Adjusted income tax provision(1)	**769**	658	**1,433**	1,199
Adjusted income from continuing operations	**1,197**	1,041	**2,228**	1,890
Net loss attributable to noncontrolling interest	**-**	1	**-**	2
Adjusted income from continuing operations attributable to CVS Caremark	**$ 1,197**	$ 1,042	**$ 2,228**	$ 1,892
Weighted average diluted common shares outstanding	**1,236**	1,287	**1,238**	1,298
Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark	**$ 0.97**	$ 0.81	**$ 1.80**	$ 1.46

(1) The adjusted income tax provision is computed using the effective income tax rate from the consolidated statement of income.

FREE CASH FLOW

CVS Caremark defines Free Cash Flow as net cash provided by operating activities less net additions to properties and equipment (i.e., additions to property and equipment plus proceeds from sale-leaseback transactions). The following is a reconciliation of net cash provided by operating activities to Free Cash Flow:

In millions	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Net cash provided by operating activities	**$ 2,542**	$ 4,017
Subtract: Additions to property and equipment	**(804)**	(818)
Add: Proceeds from sale-leaseback transactions	**-**	-
Free Cash Flow	**$ 1,738**	$ 3,199

Reconciliation of Non-GAAP Items Required by SEC Rules

Below is a reconciliation of non-GAAP items disclosed for the respective periods to their most directly comparable GAAP measures.

EBITDA

CVS Caremark defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA can be reconciled to operating profit, which we believe to be the most directly comparable GAAP financial measure. The following are reconciliations of operating profit to EBITDA:

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions, except per adjusted claim amounts	**2013**	2012	**2013**	2012
Operating profit	**$ 1,968**	$ 1,708	**$ 3,667**	$ 3,111
Depreciation and amortization	**449**	431	**951**	854
EBITDA	**$ 2,417**	$ 2,139	**$ 4,618**	$ 3,965

PHARMACY SERVICES SEGMENT

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions, except per adjusted claim amounts	**2013**	2012	**2013**	2012
Operating profit	**$ 675**	$ 511	**$ 1,174**	$ 860
Depreciation and amortization	**139**	129	**276**	251
EBITDA	**$ 814**	$ 640	**$ 1,450**	$ 1,111

RETAIL PHARMACY SEGMENT

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions, except per adjusted claim amounts	**2013**	2012	**2013**	2012
Operating profit	**$ 1,596**	$ 1,469	**$ 3,133**	$ 2,766
Depreciation and amortization	**288**	281	**630**	562
EBITDA	**$ 1,884**	$ 1,750	**$ 3,763**	$ 3,328

CORPORATE SEGMENT

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions, except per adjusted claim amounts	**2013**	2012	**2013**	2012
Operating profit (loss)	**$ (176)**	$ (175)	**$ (375)**	$ (343)
Depreciation and amortization	**22**	21	**45**	42
EBITDA	**$ (154)**	$ (154)	**$ (330)**	$ (301)

Reconciliation of Non-GAAP Items Required by SEC Rules

Below is a reconciliation of non-GAAP items disclosed for the respective periods to their most directly comparable GAAP measures.

2013 GUIDANCE

The following reconciliations contain forward-looking information that is subject to risks and uncertainties that could cause actual results to differ materially. CVS Caremark claims 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 outlined under the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2011, and under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" in our most recently filed Quarterly Report on Form 10-Q.

ADJUSTED EARNINGS PER SHARE

CVS Caremark defines Adjusted Earnings Per Share as income before income tax provision plus amortization, less adjusted income tax provision, plus net loss attributable to noncontrolling interest divided by the weighted average diluted common shares outstanding. The following is a reconciliation of income before income tax provision to Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark:

FULL-YEAR 2013

	Year Ended December 31,		
	2013E		2012
In millions, except per share amounts	**Low**	**High**	Actual
Income before income tax provision	**$ 7,347**	**$ 7,476**	$ 6,323
Amortization	**495**	**495**	486
Adjusted income before income tax provision	**7,842**	**7,971**	6,809
Adjusted income tax provision(1)	**3,054**	**3,111**	2,628
Adjusted income from continuing operations	**4,788**	**4,860**	4,181
Net loss attributable to noncontrolling interest	**-**	**-**	2
Adjusted income from continuing operations attributable to CVS Caremark	**$ 4,788**	**$ 4,860**	$ 4,183
Weighted average diluted common shares outstanding	**1,229**	**1,227**	1,280
Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark	**$ 3.90**	**$ 3.96**	$ 3.27

(1) The adjusted income tax provision is computed using the effective income tax rate from the condensed consolidated statement of income.

Reconciliation of Non-GAAP Items Required by SEC Rules

Below is a reconciliation of non-GAAP items disclosed for the respective periods to their most directly comparable GAAP measures.

THIRD QUARTER 2013

In millions, except per share amounts	Three Months Ended September 30, 2013E Low	2013E High	2012 Actual
Income before income tax provision	**$ 1,888**	**$ 1,942**	$ 1,680
Amortization	**125**	**125**	121
Adjusted income before income tax provision	**2,013**	**2,067**	1,801
Adjusted income tax provision[(1)]	**781**	**800**	717
Adjusted income from continuing operations attributable to CVS Caremark	**$ 1,232**	**$ 1,267**	$ 1,084
Weighted average diluted common shares outstanding	**1,234**	**1,233**	1,274
Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark	**$ 1.00**	**$ 1.03**	$ 0.85

(1) The adjusted income tax provision is computed using the same effective income tax rate in the consolidated statement of income.

FREE CASH FLOW

CVS Caremark defines Free Cash Flow as net cash provided by operating activities less net additions to property and equipment (i.e., additions to property and equipment plus proceeds from sale-leaseback transactions). The following is a reconciliation of net cash provided by operating activities to Free Cash Flow:

In millions	Year Ended December 31, 2013E Low	2013E High	2012 Actual
Net cash provided by operating activities	**$ 6,350**	**$ 6,550**	$ 6,671
Subtract: Additions to property and equipment	**(2,200)**	**(2,000)**	(2,030)
Add: Proceeds from sale-leaseback transactions	**600**	**500**	529
Free Cash Flow	**$ 4,750**	**$ 5,050**	$ 5,170