



CVS Caremark Corporation

Supplemental Financial Information
Preliminary And Unaudited

Second Quarter 2013
August 6, 2013

The information in this report includes non-GAAP financial measures related to our company's performance, namely EBITDA and "Adjusted EPS". In accordance with SEC regulations, the definitions of the non-GAAP items mentioned, as well as the reconciliations to comparable GAAP measures, are available on the investor relations portion of our website at info.cvscaremark.com/investors.

Supplemental Information: Statement of Operations

Second Quarter 2013

	Second Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions, except per share amounts)	June 30, 2013	June 30, 2012	Change	June 30, 2013	June 30, 2012	Change
Net revenues	\$ 31,248.3	\$ 30,714.4	1.7%	\$ 62,054.2	\$ 61,511.9	0.9%
Cost of revenues	25,412.7	25,265.2	0.6%	50,636.5	50,949.6	(0.6%)
Gross profit	5,835.6	5,449.2	7.1%	11,417.7	10,562.3	8.1%
gross margin	18.7%	17.7%	93 bps	18.4%	17.2%	123 bps
Operating expenses	3,868.4	3,741.5	3.4%	7,751.3	7,450.8	4.0%
as a % of net revenues	12.4%	12.2%	(20 bps)	12.5%	12.1%	(38 bps)
Operating profit	1,967.2	1,707.7	15.2%	3,666.4	3,111.5	17.8%
operating margin	6.3%	5.6%	74 bps	5.9%	5.1%	85 bps
Interest expense, net	126.5	131.5	(3.8%)	252.4	263.5	(4.2%)
Loss on early extinguishment of debt	-	-	N/A	-	-	N/A
Income from continuing ops before before income tax	1,840.7	1,576.2	16.8%	3,414.0	2,848.0	19.9%
Amortization	123.9	122.9	0.8%	245.6	240.7	2.0%
Adjusted income from cont ops before income tax	1,964.6	1,699.1	15.6%	3,659.6	3,088.7	18.5%
Adjusted income tax provision	768.1	657.6	16.8%	1,432.6	1,199.5	19.4%
Adj income from cont ops	1,196.5	1,041.5	14.9%	2,227.0	1,889.2	17.9%
as a % of net revenues	3.8%	3.4%	44 bps	3.6%	3.1%	52 bps
Net loss attributable to noncontrolling interest	-	0.8	(100.0%)	-	1.7	(100.0%)
Adj income from cont ops attributable to CVS Caremark	1,196.5	1,042.3	14.8%	2,227.0	1,890.9	17.8%
as a % of net revenues	3.8%	3.4%	44 bps	3.6%	3.1%	51 bps
Weighted avg diluted common shares outstanding	1,235.6	1,287.2	(4.0%)	1,238.1	1,298.0	(4.6%)
Adj EPS from cont ops attributable to CVS Caremark	\$ 0.97	\$ 0.81	19.6%	\$ 1.80	\$ 1.46	23.5%
Depreciation	325.5	308.2	5.6%	705.8	613.6	15.0%
Depreciation and amortization	449.4	431.1	4.2%	951.4	854.3	11.4%
EBITDA	2,416.6	2,138.8	13.0%	4,617.8	3,965.8	16.4%
as a % of net revenues	7.7%	7.0%	77 bps	7.4%	6.4%	99 bps

Supplemental Information: Pharmacy Services Segment

Second Quarter 2013

	Second Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions, except per claim amounts)	June 30, 2013	June 30, 2012	Change	June 30, 2013	June 30, 2012	Change
Net revenues	\$ 18,799.8	\$ 18,422.6	2.0%	\$ 37,110.6	\$ 36,722.4	1.1%
Cost of revenues	17,836.3	17,645.3	1.1%	35,379.6	35,329.2	0.1%
Gross profit	963.5	777.3	23.9%	1,731.0	1,393.2	24.2%
gross margin	5.1%	4.2%	91 bps	4.7%	3.8%	87 bps
Operating expenses	288.1	265.9	8.3%	557.2	533.0	4.5%
as a % of net revenues	1.5%	1.4%	(9 bps)	1.5%	1.5%	(5 bps)
Operating profit	675.4	511.4	32.0%	1,173.8	860.2	36.5%
operating margin	3.6%	2.8%	82 bps	3.2%	2.3%	82 bps
Depreciation and amortization	139.3	129.0	8.0%	275.8	250.7	10.0%
EBITDA	814.7	640.4	27.2%	1,449.6	1,110.9	30.5%
as a % of net revenues	4.3%	3.5%	86 bps	3.9%	3.0%	88 bps
Net revenues:						
Mail choice	6,035.8	5,744.0	5.1%	11,905.2	11,409.5	4.3%
Pharmacy network	12,708.9	12,624.9	0.7%	25,100.4	25,209.6	(0.4%)
Other	55.1	53.7	2.6%	105.0	103.3	1.6%
Pharmacy claims processed:						
Total	226.6	218.3	3.8%	454.3	437.2	3.9%
Mail choice	20.7	20.5	1.0%	41.3	40.9	0.8%
Pharmacy network	205.9	197.8	4.1%	413.0	396.3	4.2%
Total Adjusted claims	265.3	256.7	3.4%	531.3	513.7	3.4%
Generic dispensing rate:						
Total	80.7%	78.0%	273 bps	80.6%	77.3%	330 bps
Mail choice	75.8%	71.2%	460 bps	75.6%	70.1%	550 bps
Pharmacy network	81.1%	78.6%	250 bps	81.0%	78.0%	300 bps
Mail choice penetration rate	22.4%	22.9%	(50) bps	22.3%	22.9%	(60) bps

Supplemental Information: Retail Pharmacy Segment

Second Quarter 2013

	Second Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions)	June 30, 2013	June 30, 2012	Change	June 30, 2013	June 30, 2012	Change
Net revenues	\$ 16,139.5	\$ 15,846.0	1.9%	\$ 32,190.6	\$ 31,869.5	1.0%
Cost of revenues	11,139.9	11,076.9	0.6%	22,238.6	22,528.0	(1.3%)
Gross profit	4,999.6	4,769.1	4.8%	9,952.0	9,341.5	6.5%
gross margin	31.0%	30.1%	88 bps	30.9%	29.3%	160 bps
Operating expenses	3,404.3	3,300.1	3.2%	6,819.5	6,574.7	3.7%
as a % of net revenues	21.1%	20.8%	(27 bps)	21.2%	20.6%	(55 bps)
Operating profit	1,595.3	1,469.0	8.6%	3,132.5	2,766.8	13.2%
operating margin	9.9%	9.3%	61 bps	9.7%	8.7%	105 bps
Depreciation and amortization	287.9	281.1	2.4%	630.4	562.1	12.2%
EBITDA	1,883.2	1,750.1	7.6%	3,762.9	3,328.9	13.0%
as a % of net revenues	11.7%	11.0%	62 bps	11.7%	10.4%	124 bps
Net revenues:						
Total	1.9%	9.9%	(805 bps)	1.0%	3.9%	(289 bps)
Pharmacy	2.2%	11.1%	(890 bps)	0.5%	4.4%	(387 bps)
Front store	1.1%	7.1%	(601 bps)	2.1%	3.0%	(92 bps)
Same-store increase (decrease):						
Total Sales	0.4%	5.6%	(520 bps)	-0.4%	7.0%	(740 bps)
Pharmacy Sales	0.8%	7.2%	(640 bps)	-0.8%	8.5%	(930 bps)
Front store Sales	-0.4%	2.3%	(270 bps)	0.5%	3.7%	(320 bps)
Total prescription volume	1.8%	7.7%	(590 bps)	1.9%	7.4%	(550 bps)
Total adj. prescription volume*	5.0%	9.8%	(480 bps)	4.9%	9.5%	(460 bps)
Generic dispensing rate	81.9%	79.1%	280 bps	81.6%	78.6%	300 bps
Rx % of net revenues	69.1%	68.8%	30 bps	69.0%	69.4%	(40 bps)
3rd party % of Rx revenues	98.4%	97.6%	80 bps	97.8%	97.9%	(10 bps)
Retail prescriptions filled	181.1	176.4	2.6%	365.8	355.9	2.8%
Adj. retail prescriptions filled*	220.3	208.5	5.6%	441.8	418.5	5.6%

* 90-day prescriptions adjusted to 30-day equivalent

Supplemental Information: Corporate Segment

Second Quarter 2013

(In millions)	Second Quarter			Year-to-date		
	Three months ended			Year ended		
	June 30, 2013	June 30, 2012	Change	June 30, 2013	June 30, 2012	Change
Net revenues	\$ -	\$ -	N/A	\$ -	\$ -	N/A
Cost of revenues	-	-	N/A	-	-	N/A
Gross profit	-	-	N/A	-	-	N/A
gross margin	N/A	N/A	N/A	N/A	N/A	N/A
Operating expenses	175.9	175.5	0.2%	374.6	343.1	9.2%
as a % of consolidated net revenues	0.6%	0.6%	1 bps	0.6%	0.6%	(5 bps)
Operating profit	(175.9)	(175.5)	(0.2%)	(374.6)	(343.1)	(9.2%)
operating margin	N/A	N/A	N/A	N/A	N/A	N/A
Depreciation and amortization	22.2	21.0	5.7%	45.2	41.5	8.9%
EBITDA	(153.7)	(154.5)	0.5%	(329.4)	(301.6)	(9.2%)
as a % of net revenues	N/A	N/A	N/A	N/A	N/A	N/A

Supplemental Information: Eliminations

Second Quarter 2013

	Second Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions)	June 30, 2013	June 30, 2012	Change	June 30, 2013	June 30, 2012	Change
Net revenues	\$ (3,648.2)	\$ (3,554.2)	(2.6%)	\$ (7,247.0)	\$ (7,079.9)	(2.4%)
Cost of revenues	(3,520.7)	(3,456.9)	(1.8%)	(6,981.6)	(6,907.5)	(1.1%)
Gross profit	(127.5)	(97.3)	(31.0%)	(265.4)	(172.4)	(53.9%)
gross margin	3.5%	2.7%	76 bps	3.7%	2.4%	123 bps
Operating expenses	-	-	N/A	-	-	N/A
as a % of net revenues	N/A	N/A	N/A	N/A	N/A	N/A
Operating profit	(127.5)	(97.3)	(31.0%)	(265.4)	(172.4)	(53.9%)
operating margin	3.5%	2.7%	76 bps	3.7%	2.4%	123 bps
Depreciation and amortization	-	-	N/A	-	-	N/A
EBITDA	(127.5)	(97.3)	(31.0%)	(265.4)	(172.4)	(53.9%)
as a % of net revenues	3.5%	2.7%	76 bps	3.7%	2.4%	123 bps