

## 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:

<i>In millions, except per share amounts</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Income before income tax provision	\$ 1,680	\$ 1,429	\$ 4,528	\$ 3,936
Amortization	121	118	362	338
Adjusted income before income tax provision	1,801	1,547	4,890	4,274
Adjusted income tax provision <sup>(1)</sup>	717	608	1,916	1,679
Adjusted income from continuing operations	1,084	939	2,974	2,595
Net loss attributable to noncontrolling interest	-	1	2	3
Adjusted income from continuing operations attributable to CVS Caremark	\$ 1,084	\$ 940	\$ 2,976	\$ 2,598
Weighted average diluted common shares outstanding	1,274	1,340	1,290	1,356
Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark	\$ 0.85	\$ 0.70	\$ 2.31	\$ 1.91

(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:

<i>In millions</i>	Nine Months Ended	
	September 30,	
	2012	2011
Net cash provided by operating activities	\$ 4,940	\$ 5,035
Subtract: Additions to property and equipment	(1,314)	(1,168)
Add: Proceeds from sale-leaseback transactions	427	11
Free Cash Flow	\$ 4,053	\$ 3,878

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### EBITDA AND EBITDA PER ADJUSTED CLAIM

CVS Caremark defines EBITDA as earnings before interest, taxes, depreciation and amortization. We define EBITDA Per Adjusted Claim as EBITDA divided by adjusted pharmacy claims. Adjusted pharmacy claims normalize the claims volume statistic for the difference in average days' supply for mail and retail claims. Adjusted pharmacy claims are calculated by multiplying 90-day claims (the majority of total mail claims) by three and adding the 30-day claims. 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

<i>In millions, except per adjusted claim amounts</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Operating profit	\$ 1,814	\$ 1,583	\$ 4,925	\$ 4,373
Depreciation and amortization	442	407	1,297	1,172
<b>EBITDA</b>	<b>\$ 2,256</b>	<b>\$ 1,990</b>	<b>\$ 6,222</b>	<b>\$ 5,545</b>

### PHARMACY SERVICES SEGMENT

<i>In millions, except per adjusted claim amounts</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Operating profit	\$ 784	\$ 657	\$ 1,644	\$ 1,496
Depreciation and amortization	130	112	380	317
EBITDA	914	769	2,024	1,813
Adjusted claims	255	229	769	662
<b>EBITDA Per Adjusted Claim</b>	<b>\$ 3.58</b>	<b>\$ 3.35</b>	<b>\$ 2.63</b>	<b>\$ 2.74</b>

### RETAIL PHARMACY SEGMENT

<i>In millions, except per adjusted claim amounts</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Operating profit	\$ 1,305	\$ 1,123	\$ 4,071	\$ 3,459
Depreciation and amortization	293	276	855	800
<b>EBITDA</b>	<b>\$ 1,598</b>	<b>\$ 1,399</b>	<b>\$ 4,926</b>	<b>\$ 4,259</b>

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### CORPORATE SEGMENT

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<i>In millions, except per adjusted claim amounts</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Operating profit (loss)	\$ (169)	\$ (154)	\$ (511)	\$ (465)
Depreciation and amortization	20	19	62	55
EBITDA	\$ (149)	\$ (135)	\$ (449)	\$ (410)

## 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.*

### 2012 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 2012

<i>In millions, except per share amounts</i>	Year Ended December 31,		
	2012E		2011
	Low	High	Actual
Income before income tax provision	\$ 6,626	\$ 6,683	\$ 5,746
Amortization	482	482	452
Adjusted income before income tax provision	7,108	7,165	6,198
Adjusted income tax provision <sup>(1)</sup>	2,772	2,794	2,436
Adjusted income from continuing operations	4,336	4,371	3,762
Net loss attributable to noncontrolling interest	2	2	4
Adjusted income from continuing operations attributable to CVS Caremark	\$ 4,338	\$ 4,373	\$ 3,766
Weighted average diluted common shares outstanding	1,283	1,283	1,347
Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark	\$ 3.38	\$ 3.41	\$ 2.80

(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.

### FOURTH QUARTER 2012

<i>In millions, except per share amounts</i>	Three Months Ended		
	December 31,		
	2012E		2011
	Low	High	Actual
Income before income tax provision	\$ 2,098	\$ 2,155	\$ 1,810
Amortization	120	120	114
Adjusted income before income tax provision	2,218	2,275	1,924
Adjusted income tax provision <sup>(1)</sup>	856	878	756
Adjusted income from continuing operations	1,362	1,397	1,168
Net loss attributable to noncontrolling interest	0	0	1
Adjusted income from continuing operations attributable to CVS Caremark	\$ 1,362	\$ 1,397	\$ 1,169
Weighted average diluted common shares outstanding	1,260	1,262	1,310
Adjusted Earnings Per Share from continuing operations attributable to CVS Caremark	\$ 1.08	\$ 1.11	\$ 0.89

- (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:

<i>In millions</i>	Year Ended		
	December 31,		
	2012E		2011 <sup>(1)</sup>
	Low	High	Actual
Net cash provided by operating activities	\$ 6,249	\$ 6,423	\$ 5,856
Subtract: Additions to property and equipment	(2,100)	(2,025)	(1,872)
Add: Proceeds from sale-leaseback transactions	500	550	592
Free Cash Flow	\$ 4,649	\$ 4,948	\$ 4,576

- (1) Free cash flow for the year ended December 31, 2011, includes \$5 million in proceeds from sale-leaseback transactions associated with the sale of properties acquired in the 2008 acquisition of Longs Drug Stores Corporation.