



CVS Caremark Corporation

Supplemental Financial Information  
Preliminary And Unaudited

Third Quarter 2012  
November 6, 2012

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](http://info.cvscaremark.com/investors).

## Supplemental Information: Statement of Operations

Third Quarter 2012

<i>(In millions, except per share amounts)</i>	Third Quarter			Year-to-date		
	Three months ended			Nine months ended		
	September 30, 2012	September 30, 2011	Change	September 30, 2012	September 30, 2011	Change
Net revenues	\$ 30,227.3	\$ 26,674.3	13.3%	\$ 91,739.2	\$ 78,782.6	16.4%
Cost of revenues	24,580.3	21,496.0	14.3%	75,529.9	63,776.9	18.4%
Gross profit	5,647.0	5,178.4	9.1%	16,209.3	15,005.7	8.0%
<i>gross margin</i>	18.7%	19.4%	(73) bps	17.7%	19.0%	(138) bps
Operating expenses	3,833.3	3,595.0	6.6%	11,284.1	10,632.5	6.1%
<i>as a % of net revenues</i>	12.7%	13.5%	80 bps	12.3%	13.5%	120 bps
<b>Operating profit</b>	<b>1,813.8</b>	<b>1,583.4</b>	<b>14.5%</b>	<b>4,925.2</b>	<b>4,373.2</b>	<b>12.6%</b>
<i>operating margin</i>	6.0%	5.9%	6 bps	5.4%	5.6%	(18) bps
Interest expense, net	133.8	154.9	-13.6%	397.3	437.1	-9.1%
Income from continuing ops before before income tax	1,680.0	1,428.5	17.6%	4,527.9	3,936.1	15.0%
Amortization	121.3	117.9	2.9%	362.0	337.7	7.2%
Adjusted income from cont ops before income tax	1,801.3	1,546.4	16.5%	4,889.9	4,273.8	14.4%
Adjusted income tax provision	716.8	607.8	17.9%	1,916.4	1,679.4	14.1%
Adj income from cont ops	1,084.5	938.6	15.5%	2,973.5	2,594.4	14.6%
<i>as a % of net revenues</i>	3.6%	3.5%	7 bps	3.2%	3.3%	(5) bps
Net loss attributable to noncontrolling interest	-	0.8	-100.0%	1.7	2.9	N/A
Adj income from cont ops attributable to CVS Caremark	1,084.5	939.4	15.4%	2,975.2	2,597.3	14.6%
<i>as a % of net revenues</i>	3.6%	3.5%	7 bps	3.2%	3.3%	(5) bps
Weighted avg diluted common shares outstanding	1,273.9	1,339.6	-4.9%	1,290.0	1,356.5	-4.9%
<b>Adj EPS from cont ops attributable to CVS Caremark</b>	<b>\$ 0.85</b>	<b>\$ 0.70</b>	<b>21.4%</b>	<b>\$ 2.31</b>	<b>\$ 1.91</b>	<b>20.5%</b>
Depreciation	321.0	289.0	11.1%	934.6	834.2	12.0%
Depreciation and amortization	442.3	406.9	8.7%	1,296.6	1,171.9	10.6%
<b>EBITDA</b>	<b>2,256.1</b>	<b>1,990.3</b>	<b>13.4%</b>	<b>6,221.8</b>	<b>5,545.1</b>	<b>12.2%</b>
<i>as a % of net revenues</i>	7.5%	7.5%	0 bps	6.8%	7.0%	(26) bps

## Supplemental Information: Pharmacy Services Segment

Third Quarter 2012

<i>(In millions, except per claim amounts)</i>	<b>Third Quarter</b>			<b>Year-to-date</b>		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>Change</b>	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>Change</b>
Net revenues	<b>\$ 18,079.4</b>	\$ 14,797.6	22.2%	<b>\$ 54,801.8</b>	\$ 43,000.2	27.4%
Cost of revenues	<b>16,998.7</b>	13,884.0	22.4%	<b>52,327.9</b>	40,737.0	28.5%
Gross profit	<b>1,080.7</b>	913.6	18.3%	<b>2,473.9</b>	2,263.2	9.3%
<i>gross margin</i>	<b>6.0%</b>	6.2%	(20) bps	<b>4.5%</b>	5.3%	(75) bps
Operating expenses	<b>296.7</b>	256.8	15.6%	<b>829.7</b>	767.6	8.1%
<i>as a % of net revenues</i>	<b>1.6%</b>	1.7%	9 bps	<b>1.5%</b>	1.8%	27 bps
<b>Operating profit</b>	<b>784.0</b>	656.8	19.4%	<b>1,644.2</b>	1,495.6	9.9%
<i>operating margin</i>	<b>4.3%</b>	4.4%	(10) bps	<b>3.0%</b>	3.5%	(48) bps
Depreciation and amortization	<b>129.5</b>	111.8	15.8%	<b>380.2</b>	316.8	20.0%
<b>EBITDA</b>	<b>913.5</b>	768.6	18.8%	<b>2,024.4</b>	1,812.4	11.7%
<i>as a % of net revenues</i>	<b>5.1%</b>	5.2%	(14) bps	<b>3.7%</b>	4.2%	(52) bps
<b>Net revenues:</b>						
Mail choice	<b>5,674.6</b>	4,740.5	19.7%	<b>17,084.1</b>	13,715.3	24.6%
Pharmacy network	<b>12,363.5</b>	10,002.7	23.6%	<b>37,573.1</b>	29,116.1	29.0%
Other	<b>41.3</b>	54.4	-24.1%	<b>144.6</b>	168.8	-14.3%
<b>Pharmacy claims processed:</b>						
Total	<b>217.4</b>	196.7	10.5%	<b>654.6</b>	563.7	16.1%
Mail choice	<b>20.4</b>	17.5	16.3%	<b>61.3</b>	52.8	16.1%
Pharmacy network	<b>197.0</b>	179.2	10.0%	<b>593.3</b>	510.9	16.1%
Total Adjusted claims	<b>255.4</b>	229.2	11.4%	<b>769.1</b>	661.7	16.2%
<b>Generic dispensing rate:</b>						
Total	<b>79.3%</b>	74.3%	500 bps	<b>78.0%</b>	74.0%	400 bps
Mail choice	<b>73.1%</b>	65.0%	810 bps	<b>71.1%</b>	64.4%	670 bps
Pharmacy network	<b>79.9%</b>	75.3%	460 bps	<b>78.6%</b>	75.0%	360 bps
<b>Mail choice penetration rate</b>	<b>22.9%</b>	21.8%	110 bps	<b>22.9%</b>	22.8%	10 bps
<b>EBITDA per adjusted claim</b>	<b>\$ 3.58</b>	\$ 3.35	6.7%	<b>\$ 2.63</b>	\$ 2.74	-3.9%

## Supplemental Information: Retail Pharmacy Segment

Third Quarter 2012

<i>(In millions)</i>	<b>Third Quarter</b>			<b>Year-to-date</b>		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	<b>September 30, 2012</b>	September 30, 2011	Change	<b>September 30, 2012</b>	September 30, 2011	Change
Net revenues	<b>\$ 15,503.9</b>	\$ 14,693.5	5.5%	<b>\$ 47,373.4</b>	\$ 44,106.4	7.4%
Cost of revenues	<b>10,831.6</b>	10,387.9	4.3%	<b>33,359.6</b>	31,246.3	6.8%
Gross profit	<b>4,672.3</b>	4,305.6	8.5%	<b>14,013.8</b>	12,860.1	9.0%
<i>gross margin</i>	<b>30.1%</b>	29.3%	83 bps	<b>29.6%</b>	29.2%	42 bps
Operating expenses	<b>3,367.8</b>	3,182.3	5.8%	<b>9,942.5</b>	9,400.4	5.8%
<i>as a % of net revenues</i>	<b>21.7%</b>	21.7%	(6) bps	<b>21.0%</b>	21.3%	33 bps
<b>Operating profit</b>	<b>1,304.5</b>	1,123.3	16.1%	<b>4,071.3</b>	3,459.7	17.7%
<i>operating margin</i>	<b>8.4%</b>	7.6%	77 bps	<b>8.6%</b>	7.8%	75 bps
Depreciation and amortization	<b>292.8</b>	275.9	6.1%	<b>854.9</b>	800.0	6.9%
<b>EBITDA</b>	<b>1,597.3</b>	1,399.2	14.2%	<b>4,926.2</b>	4,259.7	15.6%
<i>as a % of net revenues</i>	<b>10.3%</b>	9.5%	78 bps	<b>10.4%</b>	9.7%	74 bps
<b>Net revenues:</b>						
Total	<b>5.5%</b>	3.8%	174 bps	<b>7.4%</b>	3.9%	351 bps
Pharmacy	<b>6.3%</b>	3.6%	273 bps	<b>8.6%</b>	4.2%	436 bps
Front store	<b>3.7%</b>	4.2%	(45) bps	<b>4.9%</b>	3.3%	160 bps
<b>Same-store increase (decrease):</b>						
Total Sales	<b>4.3%</b>	2.3%	200 bps	<b>6.1%</b>	2.3%	380 bps
Pharmacy Sales	<b>5.3%</b>	2.4%	290 bps	<b>7.4%</b>	2.8%	460 bps
Front store Sales	<b>2.2%</b>	2.0%	20 bps	<b>3.2%</b>	1.1%	210 bps
Total prescription volume	<b>8.7%</b>	1.0%	770 bps	<b>7.8%</b>	2.3%	550 bps
<b>Generic dispensing rate</b>	<b>79.9%</b>	75.7%	420 bps	<b>79.0%</b>	75.5%	350 bps
<b>Rx % of net revenues</b>	<b>69.1%</b>	68.5%	60 bps	<b>69.3%</b>	68.5%	80 bps
<b>3<sup>rd</sup> party % of Rx revenues</b>	<b>97.6%</b>	97.9%	(30) bps	<b>98.0%</b>	97.8%	20 bps
<b>Retail prescriptions filled</b>	<b>176.5</b>	161.0	9.6%	<b>532.4</b>	488.9	8.9%
<b>Adj. retail prescriptions filled*</b>	<b>209.8</b>	187.5	11.9%	<b>628.3</b>	565.5	11.1%

\* 90-day prescriptions adjusted to 30-day equivalent

## Supplemental Information: Corporate Segment

Third Quarter 2012

<i>(In millions)</i>	<b>Third Quarter</b>			<b>Year-to-date</b>		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>Change</b>	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>Change</b>
Net revenues	\$ -	\$ -	N/A	\$ -	\$ -	N/A
Cost of revenues	-	-	N/A	-	-	N/A
Gross profit	-	-	N/A	-	-	N/A
<i>gross margin</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Operating expenses	<b>168.8</b>	155.9	8.3%	<b>511.9</b>	464.5	10.2%
<i>as a % of consolidated net revenues</i>	<i>0.6%</i>	<i>0.6%</i>	<i>3 bps</i>	<i>0.6%</i>	<i>0.6%</i>	<i>3 bps</i>
<b>Operating profit</b>	<b>(168.8)</b>	(155.9)	-8.3%	<b>(511.9)</b>	(464.5)	-10.2%
<i>operating margin</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Depreciation and amortization	<b>20.0</b>	19.2	4.2%	<b>61.5</b>	55.1	11.6%
<b>EBITDA</b>	<b>(148.8)</b>	(136.7)	-8.9%	<b>(450.4)</b>	(409.4)	-10.0%
<i>as a % of net revenues</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

## Supplemental Information: Eliminations

Third Quarter 2012

<i>(In millions)</i>	<b>Third Quarter</b>			<b>Year-to-date</b>		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	<b>September 30, 2012</b>	September 30, 2011	Change	<b>September 30, 2012</b>	September 30, 2011	Change
Net revenues	<b>\$ (3,356.0)</b>	\$ (2,816.8)	-19.1%	<b>\$(10,436.0)</b>	\$ (8,324.0)	-25.4%
Cost of revenues	<b>(3,250.0)</b>	(2,776.0)	-17.1%	<b>(10,157.6)</b>	(8,206.4)	-23.8%
Gross profit	<b>(106.0)</b>	(40.8)	-159.8%	<b>(278.4)</b>	(117.6)	-136.7%
<i>gross margin</i>	<b>3.2%</b>	1.4%	171 bps	<b>2.7%</b>	1.4%	125 bps
Operating expenses	-	-	N/A	-	-	N/A
<i>as a % of net revenues</i>	<b>N/A</b>	N/A	N/A	<b>N/A</b>	N/A	N/A
<b>Operating profit</b>	<b>(106.0)</b>	(40.8)	-159.8%	<b>(278.4)</b>	(117.6)	-136.7%
<i>operating margin</i>	<b>3.2%</b>	1.4%	171 bps	<b>2.7%</b>	1.4%	125 bps
Depreciation and amortization	-	-	N/A	-	-	N/A
<b>EBITDA</b>	<b>(106.0)</b>	(40.8)	-159.8%	<b>(278.4)</b>	(117.6)	-136.7%
<i>as a % of net revenues</i>	<b>3.2%</b>	1.4%	171 bps	<b>2.7%</b>	1.4%	125 bps