



CVS Caremark Corporation

Supplemental Financial Information  
Preliminary And Unaudited

Third Quarter 2013  
November 5, 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](http://info.cvscaremark.com/investors).

## Supplemental Information: Statement of Operations

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions, except per share amounts)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ 31,967.7	\$ 30,227.3	5.8%	\$ 93,979.2	\$ 91,739.2	2.4%
Cost of revenues	25,932.7	24,580.3	5.5%	76,526.5	75,529.9	1.3%
Gross profit	6,035.0	5,647.0	6.9%	17,452.7	16,209.3	7.7%
gross margin	18.9%	18.7%	20 bps	18.6%	17.7%	90 bps
Operating expenses	3,873.0	3,833.3	1.0%	11,624.3	11,284.1	3.0%
as a % of net revenues	12.1%	12.7%	57 bps	12.4%	12.3%	(7 bps)
<b>Operating profit</b>	<b>2,162.0</b>	<b>1,813.8</b>	<b>19.2%</b>	<b>5,828.4</b>	<b>4,925.2</b>	<b>18.3%</b>
operating margin	6.8%	6.0%	76 bps	6.2%	5.4%	83 bps
Interest expense, net	122.0	133.8	(8.8%)	374.3	397.3	(5.8%)
Income from continuing ops before before income tax	2,040.0	1,680.0	21.4%	5,454.1	4,527.9	20.5%
Amortization	124.5	121.3	2.6%	370.1	362.0	2.2%
Adjusted income from cont ops before income tax	2,164.5	1,801.3	20.2%	5,824.2	4,889.9	19.1%
Adjusted income tax provision	826.9	716.8	15.4%	2,259.3	1,916.4	17.9%
Adj income from cont ops	1,337.6	1,084.5	23.3%	3,564.9	2,973.5	19.9%
as a % of net revenues	4.2%	3.6%	60 bps	3.8%	3.2%	55 bps
Net loss attributable to noncontrolling interest	-	-	N/A	-	1.7	(100.0%)
Adj income from cont ops attributable to CVS Caremark	1,337.6	1,084.5	23.3%	3,564.9	2,975.2	19.8%
as a % of net revenues	4.2%	3.6%	60 bps	3.8%	3.2%	55 bps
Weighted avg diluted common shares outstanding	1,226.3	1,273.9	(3.7%)	1,234.3	1,290.0	(4.3%)
<b>Adj EPS from cont ops attributable to CVS Caremark</b>	<b>\$ 1.09</b>	<b>\$ 0.85</b>	<b>28.1%</b>	<b>\$ 2.89</b>	<b>\$ 2.31</b>	<b>25.2%</b>
Depreciation	336.0	321.0	4.7%	1,041.8	934.6	11.5%
Depreciation and amortization	460.5	442.3	4.1%	1,411.9	1,296.6	8.9%
<b>EBITDA</b>	<b>2,622.5</b>	<b>2,256.1</b>	<b>16.2%</b>	<b>7,240.3</b>	<b>6,221.8</b>	<b>16.4%</b>
as a % of net revenues	8.2%	7.5%	74 bps	7.7%	6.8%	92 bps

## Supplemental Information: Statement of Operations (excl. legal benefit)

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions, except per share amounts)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ 31,967.7	\$ 30,227.3	5.8%	\$ 93,979.2	\$ 91,739.2	2.4%
Cost of revenues	25,932.7	24,580.3	5.5%	76,526.5	75,529.9	1.3%
Gross profit	6,035.0	5,647.0	6.9%	17,452.7	16,209.3	7.7%
gross margin	18.9%	18.7%	20 bps	18.6%	17.7%	90 bps
Operating expenses	3,944.8	3,833.3	2.9%	11,696.1	11,284.1	3.7%
as a % of net revenues	12.3%	12.7%	34 bps	12.4%	12.3%	(15 bps)
<b>Operating profit</b>	<b>2,090.2</b>	<b>1,813.8</b>	<b>15.2%</b>	<b>5,756.6</b>	<b>4,925.2</b>	<b>16.9%</b>
operating margin	6.5%	6.0%	54 bps	6.1%	5.4%	76 bps
Interest expense, net	122.0	133.8	(8.8%)	374.3	397.3	(5.8%)
Income from continuing ops before before income tax	1,968.2	1,680.0	17.2%	5,382.3	4,527.9	18.9%
Amortization	124.5	121.3	2.6%	370.1	362.0	2.2%
Adjusted income from cont ops before income tax	2,092.7	1,801.3	16.2%	5,752.4	4,889.9	17.6%
Adjusted income tax provision	799.4	716.8	11.5%	2,231.9	1,916.4	16.5%
Adj income from cont ops	1,293.3	1,084.5	19.3%	3,520.5	2,973.5	18.4%
as a % of net revenues	4.0%	3.6%	46 bps	3.7%	3.2%	50 bps
Net loss attributable to noncontrolling interest	-	-	N/A	-	1.7	(100.0%)
Adj income from cont ops attributable to CVS Caremark	1,293.3	1,084.5	19.3%	3,520.5	2,975.2	18.3%
as a % of net revenues	4.0%	3.6%	46 bps	3.7%	3.2%	50 bps
Weighted avg diluted common shares outstanding	1,226.3	1,273.9	(3.7%)	1,234.3	1,290.0	(4.3%)
<b>Adj EPS from cont ops attributable to CVS Caremark</b>	<b>\$ 1.05</b>	<b>\$ 0.85</b>	<b>23.9%</b>	<b>\$ 2.85</b>	<b>\$ 2.31</b>	<b>23.7%</b>
Depreciation	336.0	321.0	4.7%	1,041.8	934.6	11.5%
Depreciation and amortization	460.5	442.3	4.1%	1,411.9	1,296.6	8.9%
<b>EBITDA</b>	<b>2,550.7</b>	<b>2,256.1</b>	<b>13.1%</b>	<b>7,168.5</b>	<b>6,221.8</b>	<b>15.2%</b>
as a % of net revenues	8.0%	7.5%	52 bps	7.6%	6.8%	85 bps

## Supplemental Information: Pharmacy Services Segment

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions, except per claim amounts)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ 19,482.5	\$ 18,079.4	7.8%	\$ 56,593.2	\$ 54,801.8	3.3%
Cost of revenues	18,188.2	16,998.7	7.0%	53,567.9	52,327.9	2.4%
Gross profit	1,294.3	1,080.7	19.8%	3,025.3	2,473.9	22.3%
gross margin	6.6%	6.0%	67 bps	5.3%	4.5%	83 bps
Operating expenses	281.9	296.7	(5.0%)	839.1	829.7	1.1%
as a % of net revenues	1.447%	1.6%	19 bps	1.5%	1.5%	3 bps
<b>Operating profit</b>	<b>1,012.4</b>	<b>784.0</b>	<b>29.1%</b>	<b>2,186.2</b>	<b>1,644.2</b>	<b>33.0%</b>
operating margin	5.2%	4.3%	86 bps	3.9%	3.0%	86 bps
Depreciation and amortization	141.8	129.5	9.5%	417.6	380.2	9.8%
<b>EBITDA</b>	<b>1,154.2</b>	<b>913.5</b>	<b>26.4%</b>	<b>2,603.8</b>	<b>2,024.4</b>	<b>28.6%</b>
as a % of net revenues	5.9%	5.1%	87 bps	4.6%	3.7%	91 bps
<b>Net revenues:</b>						
Mail choice	6,369.1	5,674.6	12.2%	18,274.3	17,084.1	7.0%
Pharmacy network	13,062.8	12,363.5	5.7%	38,163.2	37,573.1	1.6%
Other	50.7	41.3	22.8%	155.7	144.6	7.7%
<b>Pharmacy claims processed:</b>						
Total	221.9	217.4	2.1%	676.2	654.6	3.3%
Mail choice	21.0	20.4	3.1%	62.3	61.3	1.6%
Pharmacy network	200.9	197.0	2.0%	613.9	593.3	3.5%
Total Adjusted claims	261.0	255.4	2.2%	792.3	769.1	3.0%
<b>Generic dispensing rate:</b>						
Total	81.0%	79.3%	170 bps	80.7%	78.0%	270 bps
Mail choice	76.2%	73.1%	310 bps	75.8%	71.1%	470 bps
Pharmacy network	81.5%	79.9%	160 bps	81.2%	78.6%	260 bps
<b>Mail choice penetration rate</b>	<b>23.0%</b>	<b>22.9%</b>	<b>10 bps</b>	<b>22.5%</b>	<b>22.9%</b>	<b>(40) bps</b>

## Supplemental Information: Pharmacy Services Segment (excl. legal benefit)

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions, except per claim amounts)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ 19,482.5	\$ 18,079.4	7.8%	\$ 56,593.2	\$ 54,801.8	3.3%
Cost of revenues	18,188.2	16,998.7	7.0%	53,567.9	52,327.9	2.4%
Gross profit	1,294.3	1,080.7	19.8%	3,025.3	2,473.9	22.3%
gross margin	6.6%	6.0%	67 bps	5.3%	4.5%	83 bps
Operating expenses	293.3	296.7	(1.2%)	850.5	829.7	2.5%
as a % of net revenues	1.5%	1.6%	14 bps	1.5%	1.5%	1 bps
<b>Operating profit</b>	<b>1,001.0</b>	<b>784.0</b>	<b>27.7%</b>	<b>2,174.8</b>	<b>1,644.2</b>	<b>32.3%</b>
operating margin	5.1%	4.3%	80 bps	3.8%	3.0%	84 bps
Depreciation and amortization	141.8	129.5	9.5%	417.6	380.2	9.8%
<b>EBITDA</b>	<b>1,142.8</b>	<b>913.5</b>	<b>25.1%</b>	<b>2,592.4</b>	<b>2,024.4</b>	<b>28.1%</b>
as a % of net revenues	5.9%	5.1%	81 bps	4.6%	3.7%	89 bps
<b>Net revenues:</b>						
Mail choice	6,369.1	5,674.6	12.2%	18,274.3	17,084.1	7.0%
Pharmacy network	13,062.8	12,363.5	5.7%	38,163.2	37,573.1	1.6%
Other	50.7	41.3	22.7%	155.7	144.6	7.7%
<b>Pharmacy claims processed:</b>						
Total	221.9	217.4	2.1%	676.2	654.6	3.3%
Mail choice	21.0	20.4	3.1%	62.3	61.3	1.6%
Pharmacy network	200.9	197.0	2.0%	613.9	593.3	3.5%
Total Adjusted claims	261.0	255.4	2.2%	792.3	769.1	3.0%
<b>Generic dispensing rate:</b>						
Total	81.0%	79.3%	170 bps	80.7%	78.0%	270 bps
Mail choice	76.2%	73.1%	310 bps	75.8%	71.1%	470 bps
Pharmacy network	81.5%	79.9%	160 bps	81.2%	78.6%	260 bps
<b>Mail choice penetration rate</b>	<b>23.0%</b>	<b>22.9%</b>	<b>10 bps</b>	<b>22.5%</b>	<b>22.9%</b>	<b>(40) bps</b>

## Supplemental Information: Retail Pharmacy Segment

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ 16,283.7	\$ 15,503.9	5.0%	\$ 48,474.3	\$ 47,373.4	2.3%
Cost of revenues	11,399.5	10,831.6	5.2%	33,638.1	33,359.6	0.8%
Gross profit	4,884.2	4,672.3	4.5%	14,836.2	14,013.8	5.9%
gross margin	30.0%	30.1%	(14 bps)	30.6%	29.6%	102 bps
Operating expenses	3,412.4	3,367.8	1.3%	10,292.3	9,942.5	3.5%
as a % of net revenues	21.0%	21.7%	77 bps	21.2%	21.0%	(24 bps)
<b>Operating profit</b>	<b>1,471.8</b>	<b>1,304.5</b>	<b>12.8%</b>	<b>4,543.9</b>	<b>4,071.3</b>	<b>11.6%</b>
operating margin	9.0%	8.4%	62 bps	9.4%	8.6%	78 bps
Depreciation and amortization	295.1	292.8	0.8%	925.4	854.9	8.2%
<b>EBITDA</b>	<b>1,766.9</b>	<b>1,597.3</b>	<b>10.6%</b>	<b>5,469.3</b>	<b>4,926.2</b>	<b>11.0%</b>
as a % of net revenues	10.9%	10.3%	55 bps	11.3%	10.4%	88 bps
<b>Net revenues:</b>						
Total	5.0%	5.5%	(49 bps)	2.3%	7.4%	(508 bps)
Pharmacy	7.1%	6.3%	76 bps	2.7%	8.6%	(589 bps)
Front store	0.4%	3.7%	(331 bps)	1.5%	4.9%	(335 bps)
<b>Same-store increase (decrease):</b>						
Total Sales	3.6%	4.3%	(70 bps)	0.9%	6.1%	(520 bps)
Pharmacy Sales	5.7%	5.3%	40 bps	1.3%	7.4%	(610 bps)
Front store Sales	-1.0%	2.2%	(320 bps)	0.0%	3.2%	(320 bps)
Total prescription volume	1.4%	8.7%	(730 bps)	1.7%	7.8%	(610 bps)
Total adj. prescription volume*	4.5%	11.1%	(660 bps)	4.8%	10.0%	(520 bps)
<b>Generic dispensing rate</b>	<b>81.5%</b>	<b>79.9%</b>	<b>160 bps</b>	<b>81.5%</b>	<b>79.0%</b>	<b>250 bps</b>
<b>Rx % of net revenues</b>	<b>70.4%</b>	<b>69.1%</b>	<b>130 bps</b>	<b>69.5%</b>	<b>69.3%</b>	<b>20 bps</b>
<b>3<sup>rd</sup> party % of Rx revenues</b>	<b>97.9%</b>	<b>97.6%</b>	<b>30 bps</b>	<b>97.9%</b>	<b>98.0%</b>	<b>(10 bps)</b>
<b>Retail prescriptions filled</b>	<b>180.5</b>	<b>176.5</b>	<b>2.3%</b>	<b>546.3</b>	<b>532.4</b>	<b>2.6%</b>
<b>Adj. retail prescriptions filled*</b>	<b>220.6</b>	<b>209.8</b>	<b>5.2%</b>	<b>662.4</b>	<b>628.3</b>	<b>5.4%</b>

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

## Supplemental Information: Retail Pharmacy Segment (excl. legal benefit)

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ 16,283.7	\$ 15,503.9	5.0%	\$ 48,474.3	\$ 47,373.4	2.3%
Cost of revenues	11,399.5	10,831.6	5.2%	33,638.1	33,359.6	0.8%
Gross profit	4,884.2	4,672.3	4.5%	14,836.2	14,013.8	5.9%
gross margin	30.0%	30.1%	(14 bps)	30.6%	29.6%	102 bps
Operating expenses	3,472.8	3,367.8	3.1%	10,292.3	9,942.5	3.5%
as a % of net revenues	21.3%	21.7%	40 bps	21.2%	21.0%	(24 bps)
<b>Operating profit</b>	<b>1,411.4</b>	<b>1,304.5</b>	<b>8.2%</b>	<b>4,543.9</b>	<b>4,071.3</b>	<b>11.6%</b>
operating margin	8.7%	8.4%	25 bps	9.4%	8.6%	78 bps
Depreciation and amortization	295.1	292.8	0.8%	925.4	854.9	8.2%
<b>EBITDA</b>	<b>1,706.5</b>	<b>1,597.3</b>	<b>6.8%</b>	<b>5,469.3</b>	<b>4,926.2</b>	<b>11.0%</b>
as a % of net revenues	10.5%	10.3%	18 bps	11.3%	10.4%	88 bps
<b>Net revenues:</b>						
Total	5.0%	5.5%	(49 bps)	2.3%	7.4%	(508 bps)
Pharmacy	7.1%	6.3%	76 bps	2.7%	8.6%	(589 bps)
Front store	0.4%	3.7%	(331 bps)	1.5%	4.9%	(335 bps)
<b>Same-store increase (decrease):</b>						
Total Sales	3.6%	4.3%	(70 bps)	0.9%	6.1%	(520 bps)
Pharmacy Sales	5.7%	5.3%	40 bps	1.3%	7.4%	(610 bps)
Front store Sales	-1.0%	2.2%	(320 bps)	0.0%	3.2%	(320 bps)
Total prescription volume	1.4%	8.7%	(730 bps)	1.7%	7.8%	(610 bps)
Total adj. prescription volume*	4.5%	11.1%	(660 bps)	4.8%	10.0%	(520 bps)
<b>Generic dispensing rate</b>	<b>81.5%</b>	<b>79.9%</b>	<b>160 bps</b>	<b>81.5%</b>	<b>79.0%</b>	<b>250 bps</b>
<b>Rx % of net revenues</b>	<b>70.4%</b>	<b>69.1%</b>	<b>130 bps</b>	<b>69.5%</b>	<b>69.3%</b>	<b>20 bps</b>
<b>3<sup>rd</sup> party % of Rx revenues</b>	<b>97.9%</b>	<b>97.6%</b>	<b>30 bps</b>	<b>97.9%</b>	<b>98.0%</b>	<b>(10 bps)</b>
<b>Retail prescriptions filled</b>	<b>180.5</b>	<b>176.5</b>	<b>2.3%</b>	<b>546.3</b>	<b>532.4</b>	<b>2.6%</b>
<b>Adj. retail prescriptions filled*</b>	<b>220.6</b>	<b>209.8</b>	<b>5.2%</b>	<b>662.4</b>	<b>628.3</b>	<b>5.4%</b>

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

## Supplemental Information: Corporate Segment

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 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	178.7	168.8	5.9%	553.3	511.9	8.1%
as a % of consolidated net revenues	0.6%	0.6%	0 bps	0.6%	0.6%	(3 bps)
<b>Operating profit</b>	<b>(178.7)</b>	<b>(168.8)</b>	<b>(5.9%)</b>	<b>(553.3)</b>	<b>(511.9)</b>	<b>(8.1%)</b>
operating margin	N/A	N/A	N/A	N/A	N/A	N/A
Depreciation and amortization	23.6	20.0	18.0%	68.8	61.5	11.9%
<b>EBITDA</b>	<b>(155.1)</b>	<b>(148.8)</b>	<b>(4.2%)</b>	<b>(484.5)</b>	<b>(450.4)</b>	<b>(7.6%)</b>
as a % of net revenues	N/A	N/A	N/A	N/A	N/A	N/A



## Supplemental Information: Eliminations

Third Quarter 2013

	Third Quarter			Year-to-date		
	Three months ended			Year ended		
(In millions)	September 30, 2013	September 30, 2012	Change	September 30, 2013	September 30, 2012	Change
Net revenues	\$ (3,798.5)	\$ (3,356.0)	(13.2%)	\$(11,088.3)	\$(10,436.0)	(6.3%)
Cost of revenues	(3,655.0)	(3,250.0)	(12.5%)	(10,679.4)	(10,157.6)	(5.1%)
Gross profit	(143.5)	(106.0)	(35.4%)	(408.9)	(278.4)	(46.9%)
gross margin	3.8%	3.2%	62 bps	3.7%	2.7%	102 bps
Operating expenses	-	-	N/A	-	-	N/A
as a % of net revenues	N/A	N/A	N/A	N/A	N/A	N/A
<b>Operating profit</b>	<b>(143.5)</b>	<b>(106.0)</b>	<b>(35.4%)</b>	<b>(408.9)</b>	<b>(278.4)</b>	<b>(46.9%)</b>
operating margin	3.8%	3.2%	62 bps	3.7%	2.7%	102 bps
Depreciation and amortization	-	-	N/A	-	-	N/A
<b>EBITDA</b>	<b>(143.5)</b>	<b>(106.0)</b>	<b>(35.4%)</b>	<b>(408.9)</b>	<b>(278.4)</b>	<b>(46.9%)</b>
as a % of net revenues	3.8%	3.2%	62 bps	3.7%	2.7%	102 bps