CVS CAREMARK | A Pharmacy Innovation Company

Industry Overview & Strategic Growth Framework

Larry Merlo

President & Chief Executive Officer

Agenda

Rapidly-changing health care environment

Uniquely positioned to drive results

Our strategic growth framework

Highlights From The Past 15 Years In Health Care

Health care system leaves many uninsured

Fee-for-service physician models

Rising chronic disease prevalence

Brand-to-generic shift in pharmaceuticals

Start of transition to a digital society

How We See The Health Care Environment Changing In The Next 5-10 Years

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	In the past ...	In the future ...
1	Health care system leaves many uninsured	Newly-insured lives & new funding sources
2	Fee-for-service physician models	Providers as critical players in new ways
3	Rising chronic disease prevalence	Focus on low-cost, high-quality solutions
4	Brand-to-generic shift in pharmaceuticals	Specialty pharmacy growth accelerates
5	Start of transition to a digital society	New tech-driven delivery methods

1 Health Care Reform Will Result In Newly-covered Lives And New Funding Sources

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Health Care Coverage
(millions of lives)

	2010	2016E	% Change
Uninsured	47	30	-36%
Medicaid	46	57	+24%
Medicare	44	52	+18%
Individual	14	35	+150%
Employer-sponsored insurance	153	146	-5%
Total covered lives	*257*	*290*	*+13%*

38% increase in government and individual segments

Source: CVS Caremark analysis.

Physicians Increasingly Reimbursed Under Pay-for-performance Models

2

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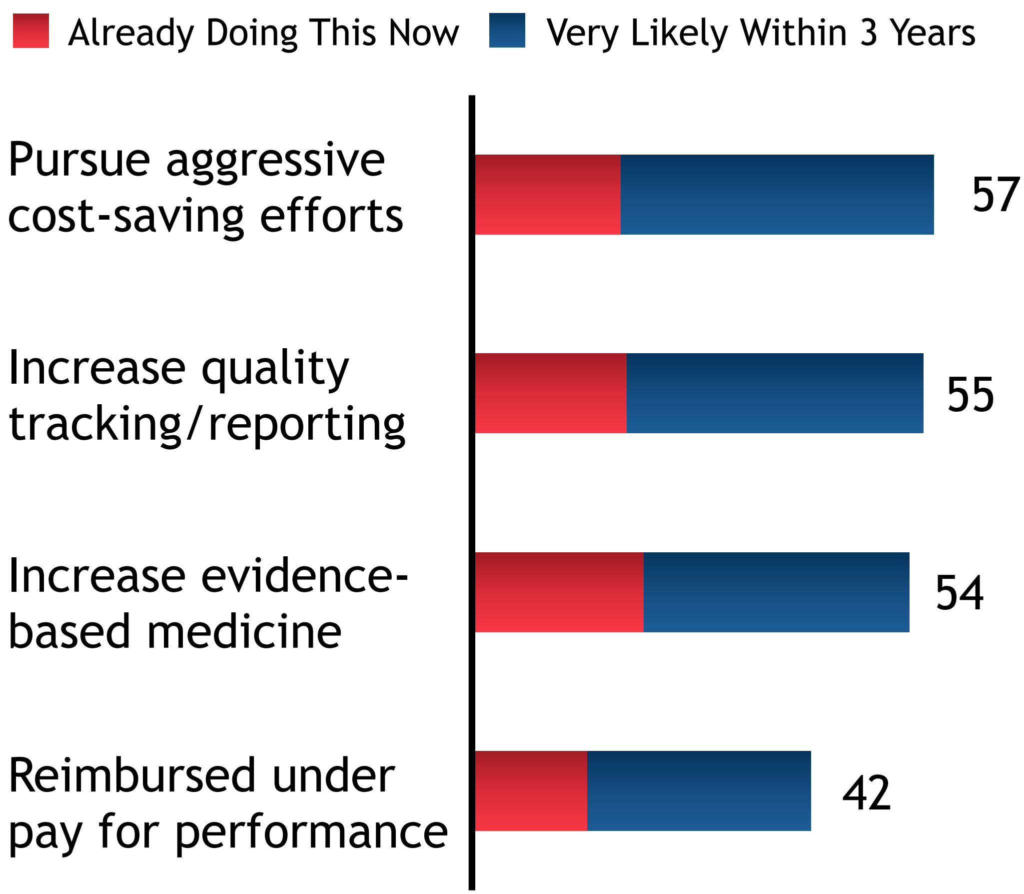
Physician Expectations On Practice Changes

(percent of physicians)



Almost half of physicians believe they will be reimbursed under pay-for-performance within 3 years

Source: McKinsey 2011 Physician Survey.

3 Cost Of Care For Chronic Disease Dominates Health Care

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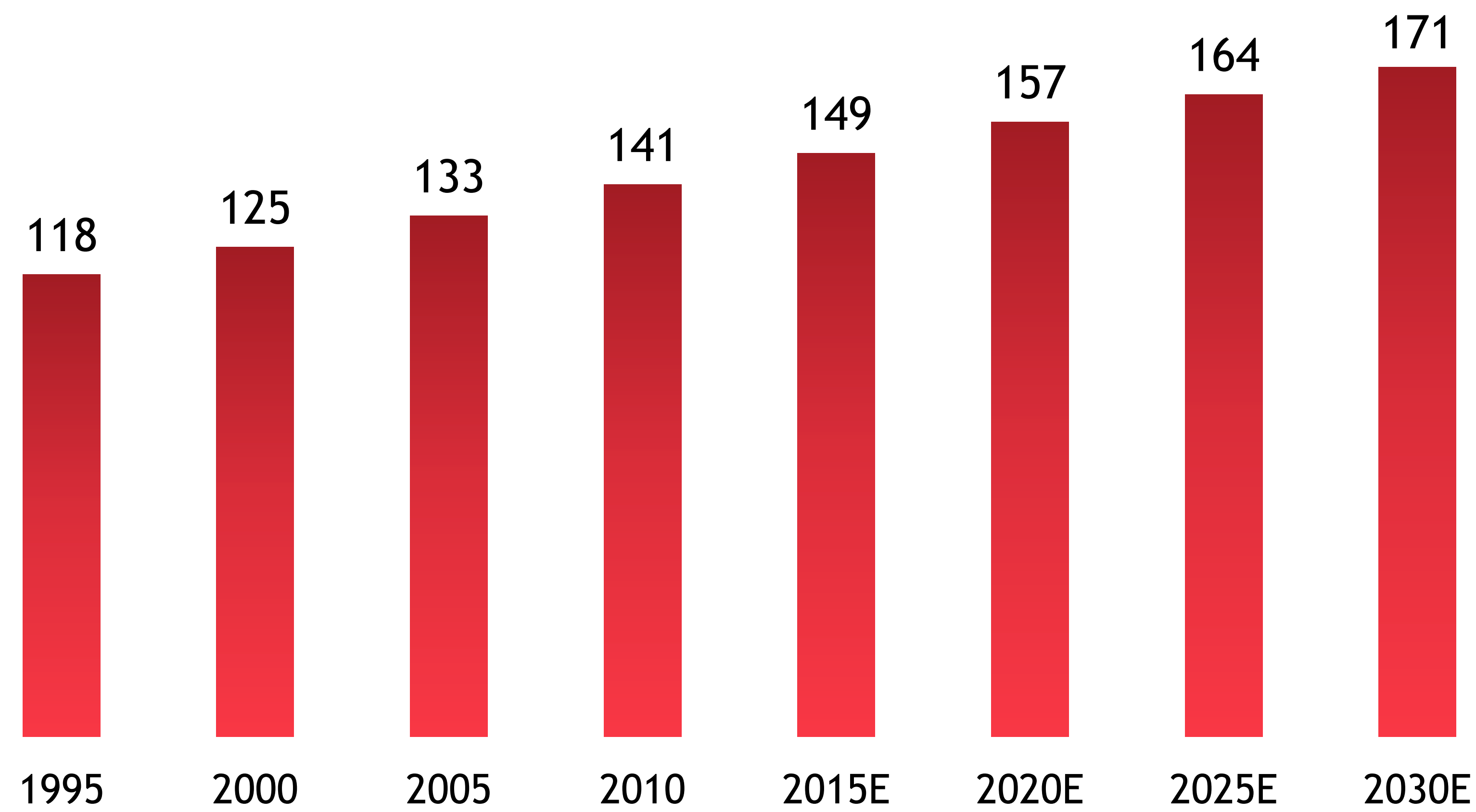
Chronic Disease Prevalence Growing Rapidly

(millions of lives)



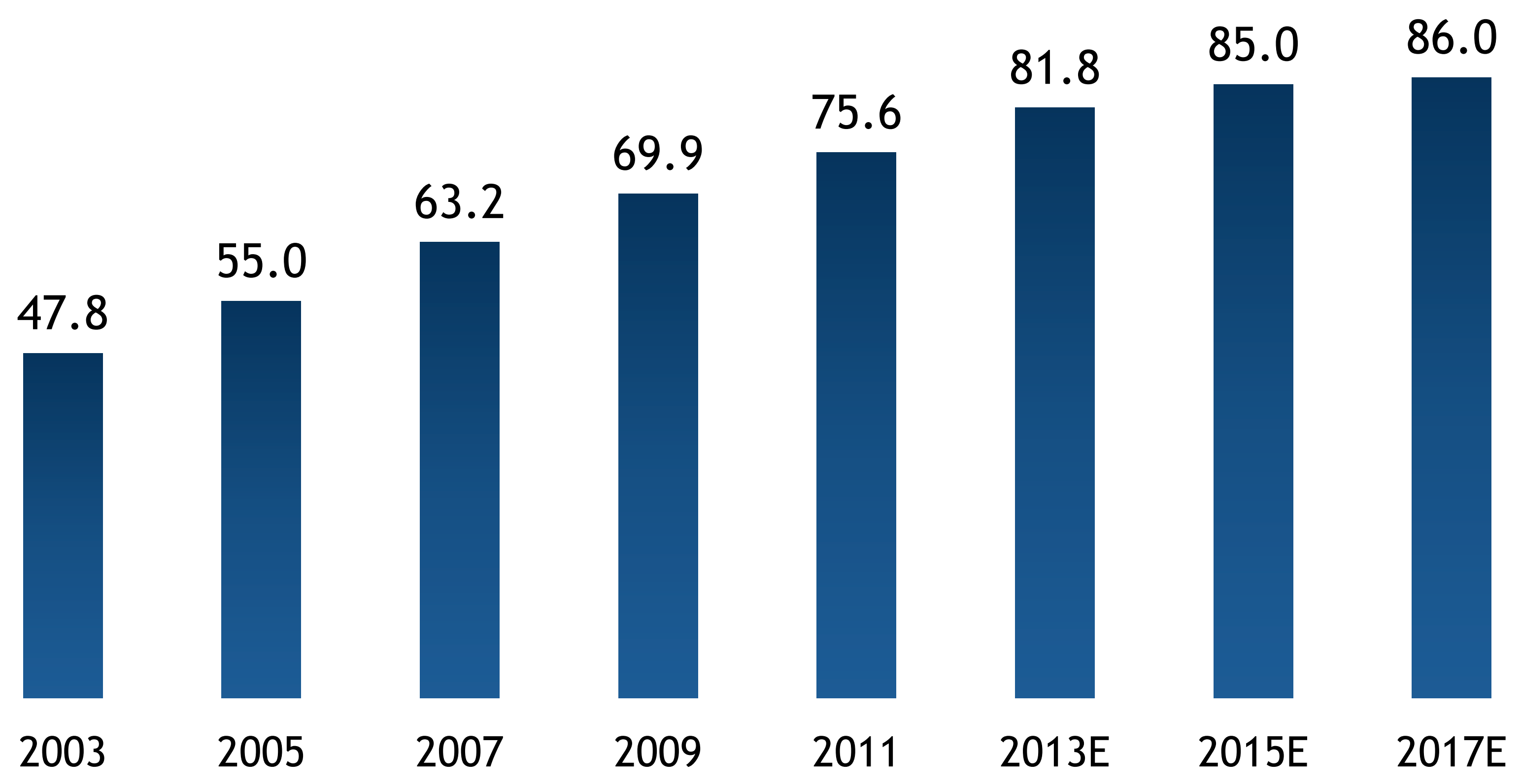
Chronic disease accounts for 84% of all health care spending

Source: Robert Wood Johnson Foundation.

4 Brand-to-generic Conversions Continue, But At A Slower Rate Than Recent Years

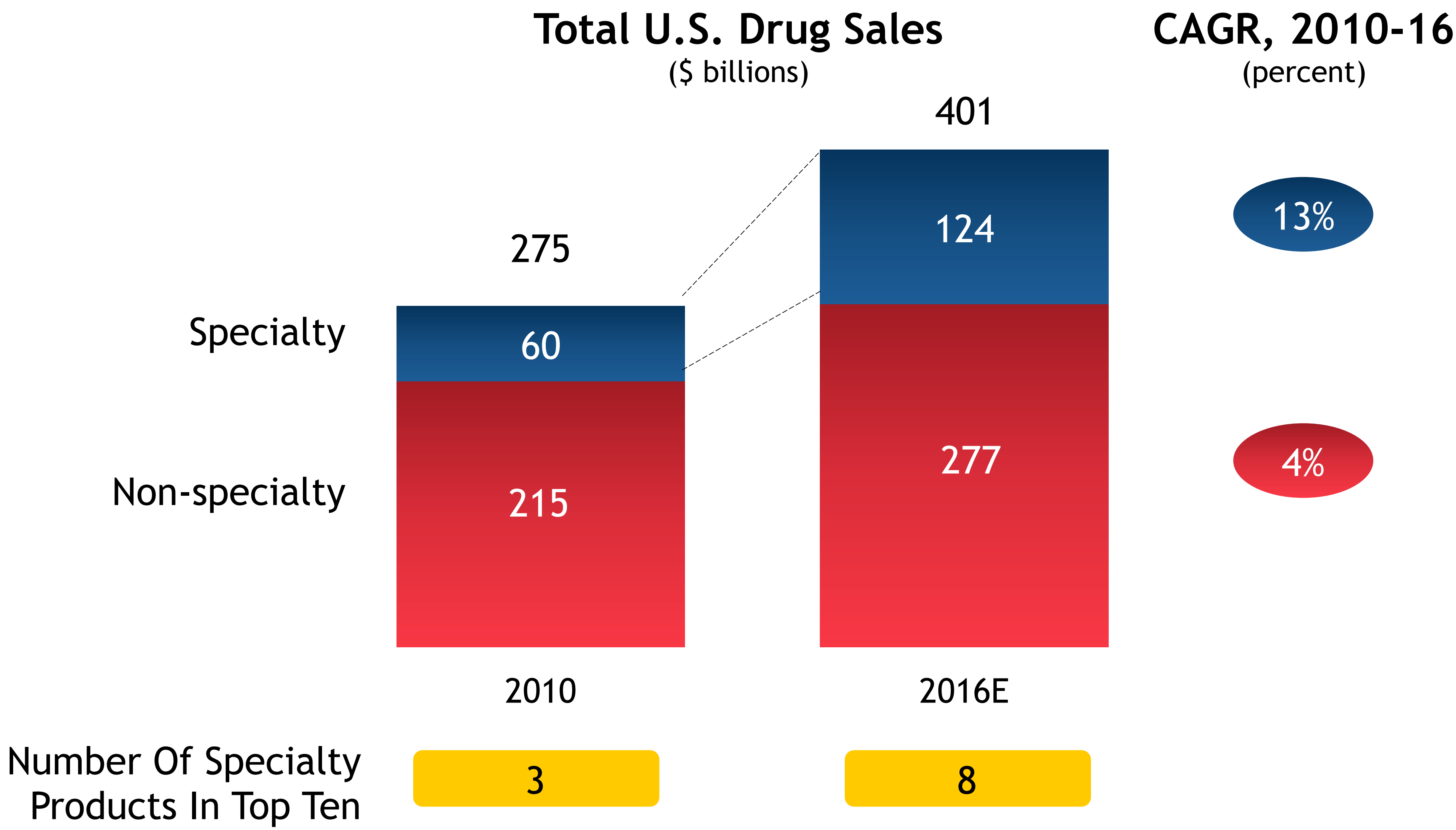
Retail Generic Dispensing Rate

(% prescriptions)



Source: CVS Caremark analysis.

Specialty Pharmacy Dominates Pharma Growth



Sources: CVS Caremark analysis; IMS Health; Buck Consultants; NHE; Credit Suisse; Kaiser Commission on Medicaid and the Uninsured; Kaiser Family Foundation; September 2011; 7 reasons why specialty drug dispensing will boom. Specialty Pharmacy Times, June 2012.

5 Advances In Technology Have Potential To Significantly Reshape Consumer Behavior And Health Care Delivery

Multi-channel Touchpoints

- Enhanced mobile platforms/apps
- Social media

Innovative Delivery Models

- Telemedicine
- Telepharmacy

HIT Tools

- E-prescribing
- Electronic health records
- Clinical decision support tools

Advanced Analytics

- Tools to support predictive modeling
- Next generation personalization

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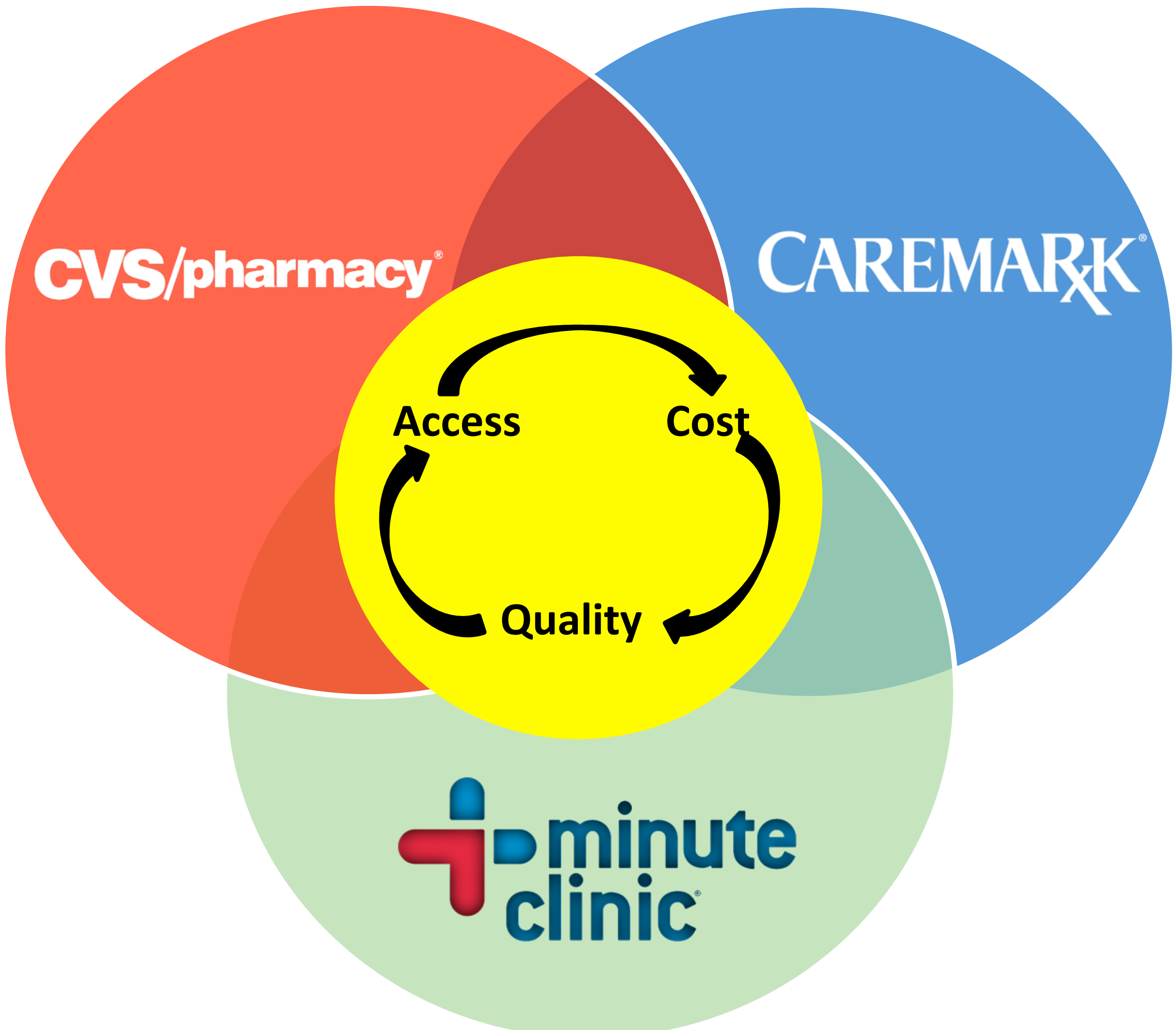
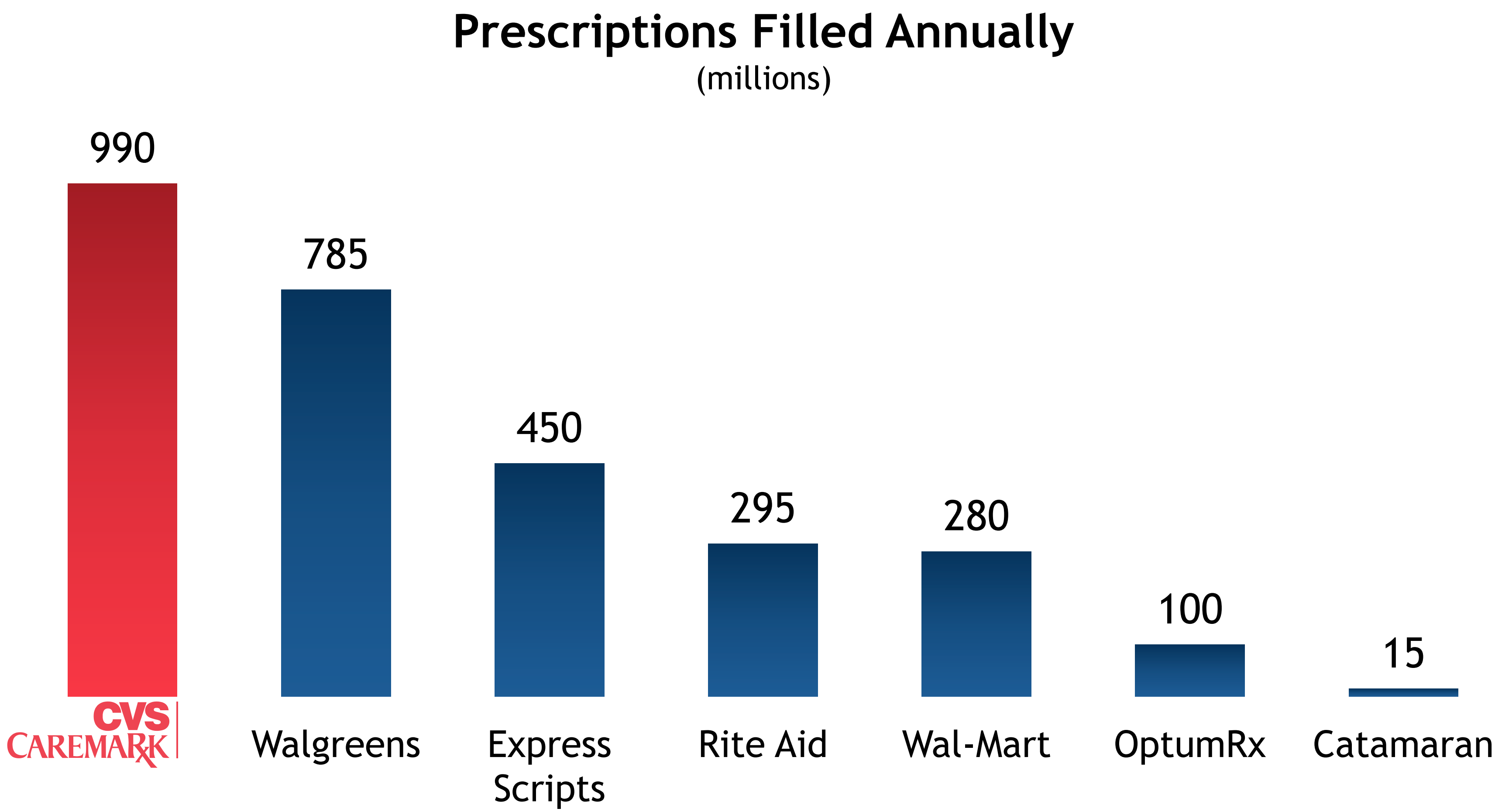
Capitalizing On The Power Of Our Combined Entity To Drive Long-term Growth



CVS Caremark's Distinctive Business Model Is Uniquely Positioned To Drive Results

1. Unmatched purchasing scale
2. Deep clinical expertise
3. Strong client and consumer relationships
4. Channel-agnostic approach

1 Unmatched Purchasing Scale: A Major Competitive Advantage



Notes:
1. Adjusted pharmacy claims normalize volumes for the difference in average days' supply for mail and retail claims.
2. Estimates for Express Scripts and OptumRx are on a pro-forma basis, assuming shift of UNH volumes from Express Scripts to OptumRx upon termination of the legacy Medco contract.

Sources: Company data & filings; Drugstore News; CVS Caremark analysis.

2 Deep Clinical Expertise: Combining Best-in-class Clinical Experience Across The Enterprise

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Diverse Insights

- Cross-enterprise clinical expertise
- Deep understanding of consumer behavior
- Medical research collaborations

Best-in-class Interventions

- Industry-leading adherence metrics
- Best use of most influential advisor
- Actionable information at point of care

Next Generation Pharmacy Care Programs

- Behavioral economics and predictive analytics
- Advanced targeting to effectively engage members

3 Strong Client And Consumer Relationships

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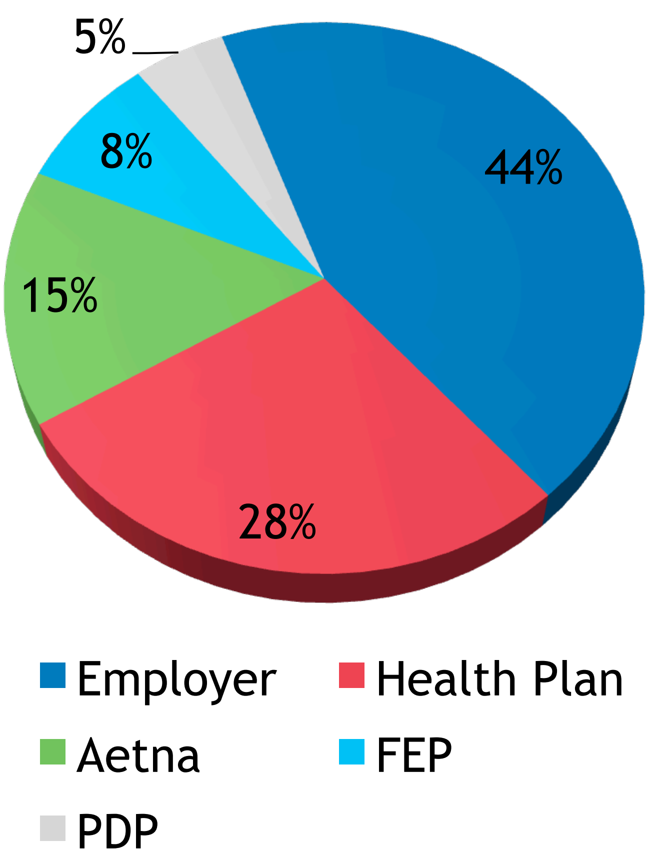
Meeting The Needs Of A Diverse PBM Client Base …

(% of 63 million PBM lives)



… Leveraging Consumer Insights And Highest Influence Advisor

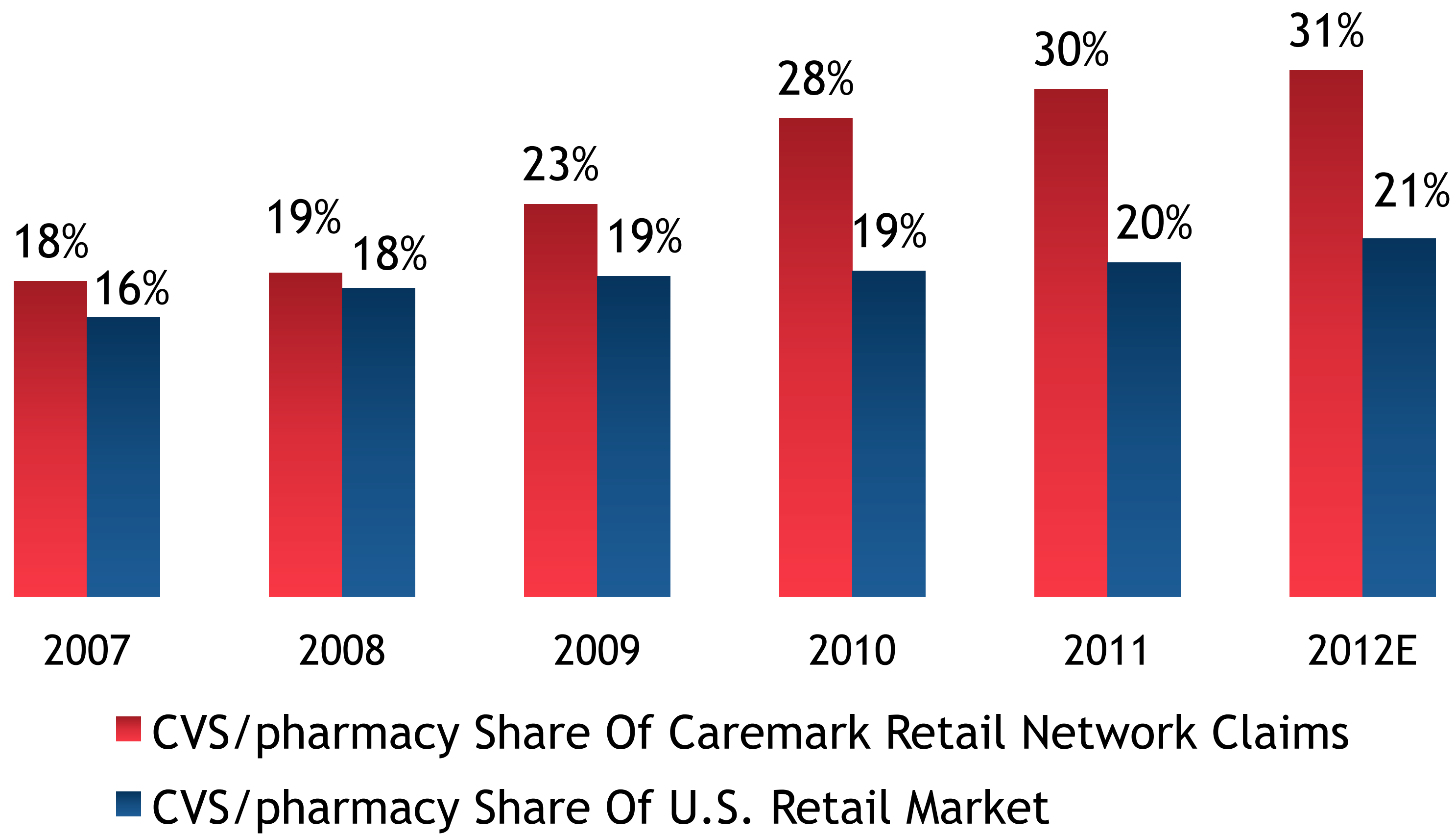
- ~5 million retail customers daily
- 70 million ExtraCare cardholders
- Retail pharmacist 2-3x more influential

Unmatched ability to coordinate plan designs and influence consumer behavior

Note: PBM client mix based on 2012 membership.

Channel-agnostic Approach: Enhances Patient Access And Drives Enterprise Share

4



CVS/pharmacy share of Caremark book of business growing faster than overall retail market share

Notes:

1. 2011and 2012E for CVS/pharmacy share of Caremark retail network claims excludes Aetna and CCRx claims.
2. Includes all 90-day claims filled at retail under the Maintenance Choice program.

4 Channel-agnostic Approach: Integrated Model Enables Share Gains Regardless Of Channel Shifts

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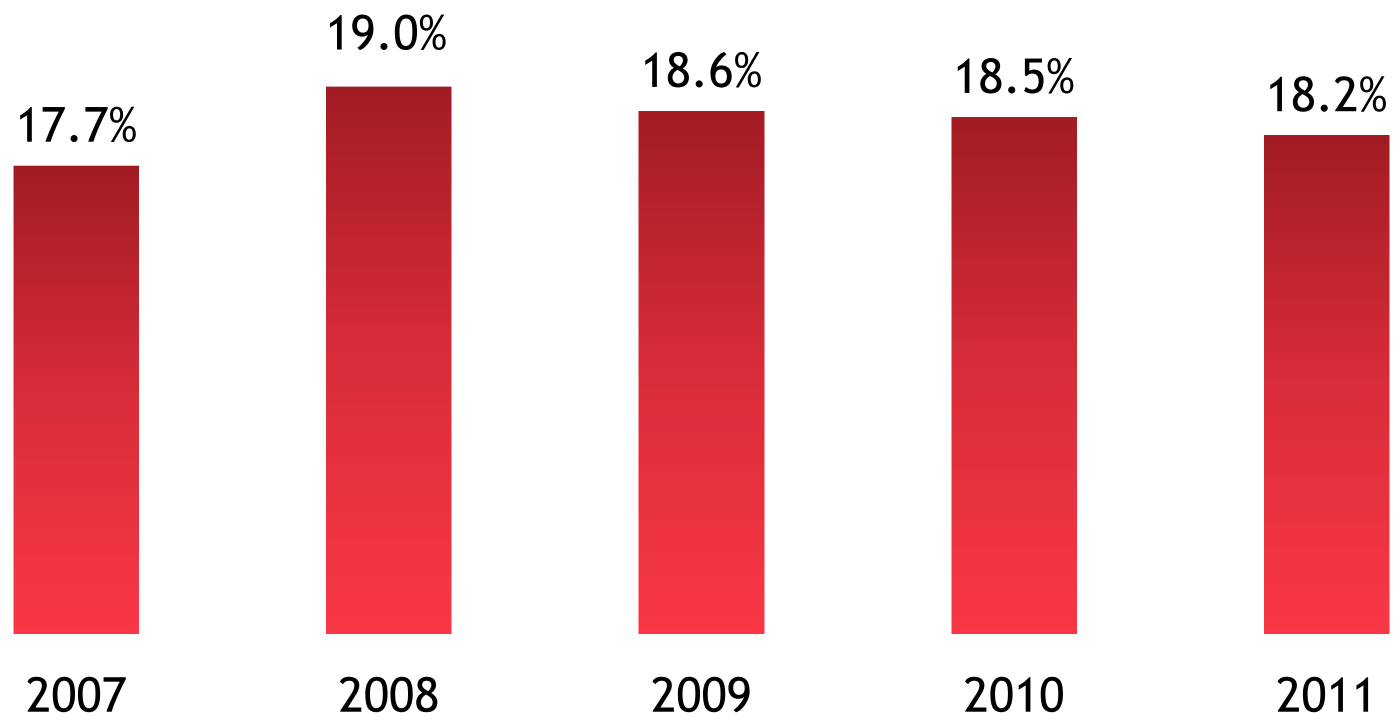
Industry Mail Order Share Of U.S. Prescriptions



Mail order growth may slow further in the coming years

Sources: IMS Health; CVS Caremark analysis.

Unmatched Ability To Capture Outsized Share Of PBM Client Spend Across The Enterprise

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% Of PBM Clients	CVS Caremark Share Of Client Rx Volume
18%	> 80%
22%	61% - 80%
40%	31% - 60%
20%	0% - 30%
100%	38% (avg.)

Capturing >80% of volume for 18% of clients

Unmatched Ability To Capture Outsized Share Of PBM Client Spend Across The Enterprise

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Capturing 60% - 80% of volume for another 22% of clients

Unmatched Ability To Capture Outsized Share Of PBM Client Spend Across The Enterprise

% Of PBM Clients	CVS Caremark Share Of Client Rx Volume
18%	**> 80%**
22%	61% - 80%
40%	31% - 60%
20%	0% - 30%
100%	38% (avg.)

Opportunity

Significant opportunity remains to capture greater share of client spend

Uniquely Positioned To Drive Better Health Outcomes And Lower Costs

	Client A	Client B
Maintenance Choice	✓	✗
Pharmacy Advisor	✓	✗
Exclusive Specialty	✓	✓
Generic dispensing rate	77.0%	68.4%
Medication adherence (MPR)	83.5%	80.3%
Gross cost per eligible member	$2,305	$2,697
CVS Caremark enterprise share of Rx volume	86%	55%

Note: Client's A & B shown above reflect retiree populations.

Uniquely Positioned To Drive Share Gains

	Purchasing Scale	Clinical Insights	Client / Customer Relationships	Channel Agnostic
CVS CAREMARK	●	◕	●	●
Standalone PBM	◑	◑	◑	○
Standalone Retail Pharmacy	◕	◔	◑	○
Integrated Health Plan/PBM	◔	◕	◕	◑

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Our strategic growth framework

Strategic Growth Framework Will Help Define Our Key Opportunities And Priorities In The Coming Years

Unique integrated model

A changing external environment

Reinventing pharmacy for better health

Create greater health care value

Serve customers in new ways

Optimize enterprise assets

Enhanced shareholder value

Strategic Growth Framework Will Help Define Our Key Opportunities And Priorities In The Coming Years

Unique integrated model

A changing external environment

Reinventing pharmacy for better health

Create greater health care value

Increase convenience and quality of care

Serve customers in new ways

Identify and target opportunities to better serve fastest-growing customer segments

Optimize enterprise assets

Deliver innovative solutions that leverage unmatched breadth of capabilities

Enhanced shareholder value

"Sweet Spot" Initiatives Began Building On Our Unique Integrated Model

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Unique integrated model

Reinventing pharmacy for better health

A changing external environment

Create greater health care value

Serve customers in new ways

Optimize enterprise assets

- Winning In Medicare
- Integrated Specialty
- Maintenance Choice 2.0
- Pharmacy Advisor 3.0
- Digital Strategy
- Health System Alliances
- Caremark Member Care At MinuteClinic

Future Strategic Initiatives Motivated By Key Health Care Market Insights

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Unique integrated model

A changing external environment

Reinventing pharmacy for better health

Create greater health care value

Serve customers in new ways

Optimize enterprise assets

- Unlock Adherence
- Transform Primary Care
- Expand Role In Specialty
- Differentiate For Providers
- Partner With Health Plans
- Integrated Digital Offering

Uniquely Positioned For Growth

- Rapidly-changing health care environment creates opportunities for growth
- Uniquely positioned to address those opportunities through pharmacy innovation
- Strategic growth framework provides lens for strategic investments and initiatives
- Capitalizing on unique integrated model to drive results and enhance value