



CVS Health Corporation

Supplemental Financial Information

Preliminary and Unaudited
Second Quarter 2016
Earnings Release
August 2, 2016

The information in this supplement 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 investors.cvshealth.com.

This supplement contains financial information derived from our company's Form 10-Q for the quarter ended June 30, 2016. This filing is available on the investor relations portion of our website at investors.cvshealth.com.

GAAP

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
<i>(In millions, except per share amounts)</i>						
Net revenues	\$ 43,725.3	\$ 37,169.0	17.6%	\$ 86,940.0	\$ 73,500.6	18.3%
Cost of revenues ⁽¹⁾	36,710.0	30,766.6	(19.3%)	73,180.8	60,934.3	(20.1%)
Gross profit	7,015.3	6,402.4	9.6%	13,759.2	12,566.3	9.5%
gross margin	16.0%	17.2%	(118) bps	15.8%	17.1%	(127) bps
Operating expenses ⁽²⁾	4,665.8	4,140.2	12.7%	9,234.0	8,172.0	13.0%
as a % of net revenues	10.7%	11.1%	47 bps	10.6%	11.1%	50 bps
Operating profit	\$ 2,349.4	\$ 2,262.2	3.9%	\$ 4,525.2	\$ 4,394.3	3.0%
operating margin	5.4%	6.1%	(71) bps	5.2%	6.0%	(77) bps
Interest expense, net ⁽³⁾	279.7	166.2	(68.3%)	562.9	300.3	(87.5%)
Loss on early extinguishment of debt and foreign currency losses ⁽⁴⁾	541.8	0.0	NM	541.8	(0.0)	NM
Income before income tax provision	1,527.9	2,096.0	(27.1%)	3,420.5	4,094.1	(16.5%)
Income tax provision	603.5	823.7	26.7%	1,349.2	1,601.0	15.7%
effective tax rate	39.5%	39.3%	(20) bps	39.4%	39.1%	(34) bps
Net income	924.4	1,272.3	(27.3%)	2,071.3	2,493.1	(16.9%)
as a % of net revenues	2.1%	3.4%	(131) bps	2.4%	3.4%	(101) bps
Net income attributable to noncontrolling interest	0.3	0.3	NM	0.8	0.4	NM
Net income attributable to CVS Health	\$ 924.1	\$ 1,272.0	(27.3%)	\$ 2,070.5	\$ 2,492.7	(16.9%)
as a % of net revenues	2.1%	3.4%	(131) bps	2.4%	3.4%	(101) bps
Earnings allocated to participating securities	(4.0)	(6.5)	38.0%	(10.0)	(12.0)	16.9%
Income available for common shareholders	920.1	1,265.5	27.3%	2,060.5	2,480.7	16.9%
Weighted average diluted shares outstanding	1,075.4	1,132.1	5.0%	1,087.1	1,134.3	4.2%
GAAP diluted EPS	\$ 0.86	\$ 1.12	(23.5%)	\$ 1.90	\$ 2.19	(13.3%)

Footnotes

Totals may not foot due to rounding.

- Includes \$6.3 million and \$10.2 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$74.7 million and \$131.5 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. Includes \$20.6 million of acquisition-related transaction costs during the three and six months ended June 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$36.5 million of acquisition-related bridge financing costs during the three and six months ended June 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$541.8 from loss on extinguishment of debt during the three months ended June 30, 2016.

(In millions)	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
Net revenues	\$ 29,509.7	\$ 24,441.5	20.7%	\$ 58,274.8	\$ 48,320.5	20.6%
Cost of revenues	28,142.3	23,200.9	(21.3%)	55,805.5	46,053.9	(21.2%)
Gross profit	1,367.4	1,240.7	10.2%	2,469.2	2,266.6	8.9%
gross margin	4.6%	5.1%	(44) bps	4.2%	4.7%	(45) bps
Operating expenses ⁽¹⁾	329.0	300.2	(9.6%)	648.3	592.1	(9.5%)
as a % of net revenues	1.1%	1.2%	11 bps	1.1%	1.2%	11 bps
Operating profit	\$ 1,038.4	\$ 940.4	10.4%	\$ 1,820.9	\$ 1,674.5	8.7%
operating margin	3.5%	3.8%	(33) bps	3.1%	3.5%	(34) bps
Net revenues:						
Mail choice	10,646.1	9,106.7	16.9%	20,795.6	17,856.7	16.5%
Pharmacy network	18,777.7	15,267.3	23.0%	37,314.0	30,326.3	23.0%
Other	86.0	67.4	27.5%	165.2	137.5	20.1%
Pharmacy claims processed:						
Total	302.7	250.1	21.0%	607.5	501.3	21.2%
Mail choice	22.2	21.3	3.9%	43.8	41.7	5.2%
Pharmacy network	280.5	228.8	22.6%	563.6	459.6	22.6%
Total adjusted claims ⁽²⁾	342.5	288.4	18.7%	686.2	576.2	19.1%
Generic dispensing rate:						
Total	85.4%	83.9%	151 bps	85.3%	83.7%	160 bps
Mail Choice	78.0%	76.3%	169 bps	77.7%	76.2%	150 bps
Pharmacy network	86.0%	84.6%	140 bps	85.9%	84.4%	150 bps
Mail choice penetration rate	18.1%	20.7%	(258) bps	17.9%	20.2%	(237) bps

Footnotes

Totals may not foot due to rounding.

1 Includes \$0.6 million of acquisition-related integration costs during the three months and six months ended June 30, 2016. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.

2 Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription. PBM retail claims are not adjusted.

(In millions)	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
Net revenues	\$ 19,998.7	\$ 17,242.1	16.0%	\$ 40,110.4	\$ 34,193.0	17.3%
Cost of revenues ⁽¹⁾	14,162.0	11,920.2	(18.8%)	28,444.1	23,576.4	(20.6%)
Gross profit	5,836.7	5,322.0	9.7%	11,666.3	10,616.6	9.9%
<i>gross margin</i>	29.2%	30.9%	(168) bps	29.1%	31.0%	(196) bps
Operating expenses ⁽²⁾	4,131.6	3,641.2	(13.5%)	8,184.0	7,209.1	(13.5%)
<i>as a % of net revenues</i>	20.7%	21.1%	46 bps	20.4%	21.1%	68 bps
Operating profit	\$ 1,705.1	\$ 1,680.8	1.4%	\$ 3,482.4	\$ 3,407.6	2.2%
<i>operating margin</i>	8.5%	9.7%	(122) bps	8.7%	10.0%	(128) bps
RETAIL STATISTICS						
Same-store increase (decrease) ⁽³⁾:						
Total sales	2.1%	0.5%	160 bps	3.1%	0.8%	230 bps
Retail pharmacy sales	3.9%	4.1%	(20) bps	4.7%	4.2%	50 bps
Retail front store sales	(2.5%)	(7.8%)	530 bps	(0.9%)	(7.0%)	610 bps
Total prescription volume	2.1%	3.0%	(90) bps	3.2%	3.0%	20 bps
Total adjusted prescription volume ⁽⁴⁾	3.5%	4.8%	(130) bps	4.7%	4.9%	(20) bps
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	16.0%	2.2%	15.8 pps	17.3%	2.5%	1478 bps
Pharmacy	21.2%	5.2%	18.3 pps	22.4%	5.2%	1716 bps
Front store	(0.6%)	(5.1%)	454 bps	1.0%	(4.4%)	533 bps
Generic dispensing rate	86.1%	85.0%	112 bps	85.9%	84.7%	119 bps
Rx % of net revenues	74.8%	71.6%	320 bps	74.7%	71.7%	305 bps
Retail/LTC prescriptions filled	240.5	193.1	24.5%	487.0	386.3	26.1%
Adjusted retail/LTC prescriptions filled ⁽⁴⁾	300.9	244.1	23.3%	605.9	485.5	24.8%

Footnotes

Totals may not foot due to rounding.

- Includes \$6.3 million and \$10.2 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$73.5 million and \$130.0 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Same store sales and prescriptions exclude revenues from MinuteClinic[®], and revenue and prescriptions from stores in Brazil, LTC operations and from commercialization services.
- Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription.

Supplemental Information: Corporate Segment

Second Quarter 2016

<i>(In millions)</i>	Second Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Six months ended</i>		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
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 ⁽¹⁾⁽²⁾	220.6	215.0	(2.6%)	432.3	403.7	(7.1%)
<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>
Operating profit	\$ (220.6)	\$ (215.0)	(2.6%)	\$ (432.3)	\$ (403.7)	(7.1%)
<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>

Footnotes

Totals may not foot due to rounding.

- Includes \$0.6 million and \$0.9 million in acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. Includes \$20.6 million of acquisition-related transaction costs during the three and six months ended June 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes a \$3.1 million charge related to a disputed 1999 legal settlement during the six months ended June 30, 2016.

	Second Quarter			Year-to-Date		
	Three months ended			Six months ended		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
<i>(In millions)</i>						
Net revenues	\$ (5,783.1)	\$ (4,514.7)	(28.1%)	\$ (11,445.1)	\$ (9,012.9)	(27.0%)
Cost of revenues	(5,594.3)	(4,354.4)	28.5%	(11,068.7)	(8,695.9)	27.3%
Gross profit	(188.8)	(160.3)	(17.8%)	(376.4)	(316.9)	(18.8%)
<i>gross margin</i>	3.3%	3.6%	(28) bps	3.3%	3.5%	(23) bps
Operating expenses	(15.3)	(16.2)	5.5%	(30.6)	(32.9)	N/A
<i>as a % of net revenues</i>	0.3%	0.4%	(9) bps	0.3%	N/A	N/A
Operating profit	\$ (173.5)	\$ (144.1)	(20.4%)	\$ (345.7)	\$ (284.0)	(21.7%)
<i>operating margin</i>	3.0%	3.2%	(19) bps	3.0%	3.2%	(13) bps
Depreciation and amortization	-	-	N/A	-	-	N/A
EBITDA	\$ (173.5)	\$ (144.1)	(20.4%)	\$ (345.7)	\$ (284.0)	(21.7%)
<i>as a % of net revenues</i>	3.0%	3.2%	(19) bps	3.0%	3.2%	(13) bps

Footnotes

Totals may not foot due to rounding.

Adjusted to Exclude Certain Items

**Supplemental Information: Consolidated Statement of Income
(Excluding Certain Items)**

Second Quarter 2016

	Second Quarter			Year-to-Date		
	Three months ended		+/- Variance	Six months ended		+/- Variance
	June 30, 2016	June 30, 2015		June 30, 2016	June 30, 2015	
<i>(In millions, except per share amounts)</i>						
Net revenues	\$ 43,725.3	\$ 37,169.0	17.6%	\$ 86,940.0	\$ 73,500.6	18.3%
Cost of revenues ⁽¹⁾	36,703.8	30,766.6	(19.3%)	73,170.7	60,934.3	(20.1%)
Gross profit	7,021.6	6,402.4	9.7%	13,769.4	12,566.3	9.6%
gross margin	16.1%	17.2%	(117) bps	15.8%	17.1%	(126) bps
Operating expenses ⁽²⁾	4,591.1	4,119.6	11.4%	9,099.4	8,151.4	11.6%
as a % of net revenues	10.5%	11.1%	58 bps	10.5%	11.1%	62 bps
Operating profit	\$ 2,430.4	\$ 2,282.8	6.5%	\$ 4,670.0	\$ 4,414.9	5.8%
operating margin	5.6%	6.1%	(58) bps	5.4%	6.0%	(64) bps
Interest expense, net ⁽³⁾	279.7	129.7	(115.6%)	562.9	263.8	(113.4%)
Loss on early extinguishment of debt and foreign currency losses ⁽⁴⁾	0.0	0.0	NM	0.0	(0.0)	NM
Income before income tax provision	2,150.7	2,153.0	(0.1%)	4,107.1	4,151.1	(1.1%)
Amortization	197.1	130.7	50.8%	396.6	259.9	52.6%
Adjusted net income before income tax provision	2,347.8	2,283.7	2.8%	4,503.7	4,411.1	2.1%
Adjusted income tax provision	922.7	897.5	(2.8%)	1,770.0	1,724.7	(2.6%)
effective tax rate	39.3%	39.3%	0 bps	39.3%	39.1%	(20) bps
Adjusted net income	1,425.1	1,386.2	2.8%	2,733.8	2,686.3	1.8%
as a % of net revenues	3.3%	3.7%	(47) bps	3.1%	3.7%	(51) bps
Earnings allocated to participating securities	(5.8)	(6.7)	12.9%	(12.9)	(12.2)	(5.8%)
Net income attributable to noncontrolling interest	0.3	0.3	NM	0.8	0.4	NM
Adjusted net income attributable to CVS Health	\$ 1,419.0	\$ 1,379.3	2.9%	\$ 2,720.0	\$ 2,673.8	1.7%
as a % of net revenues	3.2%	3.7%	(47) bps	3.1%	3.6%	(51) bps
Weighted average diluted shares outstanding	1,075.4	1,132.1	5.0%	1,087.1	1,134.3	4.2%
Adjusted EPS from continuing operations	\$ 1.32	\$ 1.22	8.3%	\$ 2.50	\$ 2.36	6.1%
Depreciation ⁽⁵⁾	414.6	356.7	16.2%	824.5	717.8	14.9%
EBITDA	\$ 3,042.1	\$ 2,770.1	9.8%	\$ 5,891.1	\$ 5,392.6	9.2%
as a % of net revenues	7.0%	7.5%	(50) bps	6.8%	7.3%	(56) bps

Footnotes

Totals may not foot due to rounding.

- Excludes \$6.3 million and \$10.2 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$74.7 million and \$131.5 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. Excludes \$20.6 million of acquisition-related transaction costs during the three and six months ended June 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$36.5 million of acquisition-related bridge financing costs during the three and six months ended June 30, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$541.8 from loss on extinguishment of debt during the three months ended June 30, 2016.
- Excludes \$7.5 million and \$14.7 million of acquisition-related integration depreciation during the three months and six months ended June 30, 2016, respectively. The depreciation relates to the acquisitions of Omnicare and the pharmacies and clinics of Target.

**Supplemental Information: Pharmacy Services Segment
(Excluding Certain Items)**

Second Quarter 2016

<i>(In millions)</i>	Second Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Six months ended</i>		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
Net revenues	\$ 29,509.7	\$ 24,441.5	20.7%	\$ 58,274.8	\$ 48,320.5	20.6%
Cost of revenues	28,142.3	23,200.9	(21.3%)	55,805.5	46,053.9	(21.2%)
Gross profit	1,367.4	1,240.7	10.2%	2,469.2	2,266.6	8.9%
<i>gross margin</i>	4.6%	5.1%	(44) bps	4.2%	4.7%	(45) bps
Operating expenses ⁽¹⁾	328.4	300.2	(9.4%)	647.7	592.1	(9.4%)
<i>as a % of net revenues</i>	1.1%	1.2%	12 bps	1.1%	1.2%	11 bps
Operating profit	\$ 1,039.1	\$ 940.4	10.5%	\$ 1,821.5	\$ 1,674.5	8.8%
<i>operating margin</i>	3.5%	3.8%	(33) bps	3.1%	3.5%	(34) bps
Depreciation and amortization	177.6	159.6	11.3%	355.6	319.7	11.2%
EBITDA	\$ 1,216.7	\$ 1,100.1	10.6%	\$ 2,177.2	\$ 1,994.2	9.2%
<i>as a % of net revenues</i>	4.1%	4.5%	(38) bps	3.7%	4.1%	(39) bps
Net revenues:						
Mail choice	10,646.1	9,106.7	16.9%	20,795.6	17,856.7	16.5%
Pharmacy network	18,777.7	15,267.3	23.0%	37,314.0	30,326.3	23.0%
Other	86.0	67.4	27.5%	165.2	137.5	20.1%
Pharmacy claims processed:						
Total	302.7	250.1	21.0%	607.5	501.3	21.2%
Mail choice	22.2	21.3	3.9%	43.8	41.7	5.2%
Pharmacy network	280.5	228.8	22.6%	563.6	459.6	22.6%
Total adjusted claims ⁽²⁾	342.5	288.4	18.7%	686.2	576.2	19.1%
Generic dispensing rate:						
Total	85.4%	83.9%	151 bps	85.3%	83.7%	160 bps
Mail Choice	78.0%	76.3%	169 bps	77.7%	76.2%	150 bps
Pharmacy network	86.0%	84.6%	140 bps	85.9%	84.4%	150 bps
Mail choice penetration rate	18.1%	20.7%	(258) bps	17.9%	20.2%	(237) bps

Footnotes

Totals may not foot due to rounding.

1 Excludes \$0.6 million of acquisition-related integration costs during the three months and six months ended June 30, 2016. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.

2 Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription. PBM retail claims are not adjusted.

**Supplemental Information: Retail/LTC Segment
(Excluding Certain Items)**
Second Quarter 2016

	Second Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Six months ended</i>		
	<i>June 30, 2016</i>	<i>June 30, 2015</i>	<i>+/- Variance</i>	<i>June 30, 2016</i>	<i>June 30, 2015</i>	<i>+/- Variance</i>
<i>(In millions)</i>						
Net revenues	\$ 19,998.7	\$ 17,242.1	16.0%	\$ 40,110.4	\$ 34,193.0	17.3%
Cost of revenues ⁽¹⁾	14,155.7	11,920.2	(18.8%)	28,433.9	23,576.4	(20.6%)
Gross profit	5,843.0	5,322.0	9.8%	11,676.5	10,616.6	10.0%
<i>gross margin</i>	29.2%	30.9%	(165) bps	29.1%	31.0%	(194) bps
Operating expenses ⁽²⁾	4,058.1	3,641.2	(11.5%)	8,053.9	7,209.1	(11.7%)
<i>as a % of net revenues</i>	20.3%	21.1%	83 bps	20.1%	21.1%	100 bps
Operating profit	\$ 1,784.9	\$ 1,680.8	6.2%	\$ 3,622.6	\$ 3,407.6	6.3%
<i>operating margin</i>	8.9%	9.7%	(82) bps	9.0%	10.0%	(93) bps
Depreciation and amortization ⁽³⁾	404.2	303.6	33.1%	805.2	608.4	32.3%
EBITDA	\$ 2,189.1	\$ 1,984.4	10.3%	\$ 4,427.7	\$ 4,016.0	10.3%
<i>as a % of net revenues</i>	10.9%	11.5%	(56) bps	11.0%	11.7%	(71) bps
RETAIL STATISTICS						
Same-store increase (decrease) ⁽⁴⁾:						
Total sales	2.1%	0.5%	160 bps	3.1%	0.8%	230 bps
Retail pharmacy sales	3.9%	4.1%	(20) bps	4.7%	4.2%	50 bps
Retail front store sales	(2.5%)	(7.8%)	530 bps	(0.9%)	(7.0%)	610 bps
Total prescription volume	2.1%	3.0%	(90) bps	3.2%	3.0%	20 bps
Total adjusted prescription volume ⁽⁵⁾	3.5%	4.8%	(130) bps	4.7%	4.9%	(20) bps
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	16.0%	2.2%	15.8 pps	17.3%	2.5%	1478 bps
Pharmacy	21.2%	5.2%	18.3 pps	22.4%	5.2%	1716 bps
Front store	(0.6%)	(5.1%)	454 bps	1.0%	(4.4%)	533 bps
Generic dispensing rate	86.1%	85.0%	112 bps	85.9%	84.7%	119 bps
Rx % of net revenues	74.8%	71.6%	320 bps	74.7%	71.7%	305 bps
Retail/LTC prescriptions filled	240.5	193.1	24.5%	487.0	386.3	26.1%
Adjusted retail/LTC prescriptions filled ⁽⁵⁾	300.9	244.1	23.3%	605.9	485.5	24.8%

Footnotes

Totals may not foot due to rounding.

- Excludes \$6.3 million and \$10.2 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$73.5 million and \$130.0 million of acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$7.5 million and \$14.7 million of acquisition-related integration depreciation during the three months and six months ended June 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Same store sales and prescriptions exclude revenues from MinuteClinic[®], and revenue and prescriptions from stores in Brazil, LTC operations and from commercialization services.
- Includes the adjustment to convert 90-day, non-specialty prescriptions to the equivalent of three 30-day prescriptions. This adjustment reflects the fact that these prescriptions include approximately three times the amount of product days supplied compared to a normal 30-day prescription.

**Supplemental Information: Corporate Segment
(Excluding Certain Items)**
Second Quarter 2016

	Second Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Six months ended</i>		
	June 30, 2016	June 30, 2015	+/- Variance	June 30, 2016	June 30, 2015	+/- Variance
<i>(In millions)</i>						
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 ⁽¹⁾⁽²⁾	220.0	194.5	(13.1%)	428.4	383.1	(11.8%)
<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>
Operating profit	\$ (220.0)	\$ (194.5)	(13.1%)	\$ (428.4)	\$ (383.1)	(11.8%)
<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	29.9	24.1	23.9%	60.3	49.6	21.6%
EBITDA	\$ (190.1)	\$ (170.4)	(11.6%)	\$ (368.0)	\$ (333.5)	(10.4%)
<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>

Footnotes

Totals may not foot due to rounding.

- 1 Excludes \$0.6 million and \$0.9 million in acquisition-related integration costs during the three months and six months ended June 30, 2016, respectively. Excludes \$20.6 million of acquisition-related transaction costs during the three and six months ended June 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.

- 2 Excludes a \$3.1 million charge related to a disputed 1999 legal settlement during the six months ended June 30, 2016.