



CVS Health Corporation

Supplemental Financial Information

Preliminary and Unaudited
Fourth Quarter 2016
Earnings Release
February 9, 2017

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-K for the year ended December 31, 2016. This filing is available on the investor relations portion of our website at investors.cvshealth.com.

GAAP

	Fourth Quarter			Full Year		
	Three months ended			Year ended		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 2015	+/- Variance
<i>(In millions, except per share amounts)</i>						
Net revenues	\$ 45,971.2	\$ 41,145.6	11.7%	\$ 177,526.3	\$ 153,289.8	15.8%
Cost of revenues ⁽¹⁾	38,366.0	33,844.8	(13.4%)	148,669.5	126,761.9	(17.3%)
Gross profit	7,605.2	7,300.8	4.2%	28,856.8	26,527.9	8.8%
gross margin	16.5%	17.7%	(120) bps	16.3%	17.3%	(105) bps
Operating expenses ⁽²⁾	4,610.4	4,571.6	(0.8%)	18,519.4	17,073.5	(8.5%)
as a % of net revenues	10.0%	11.1%	108 bps	10.4%	11.1%	71 bps
Operating profit	\$ 2,994.9	\$ 2,729.2	9.7%	\$ 10,337.5	\$ 9,454.3	9.3%
operating margin	6.5%	6.6%	(12) bps	5.8%	6.2%	(34) bps
Interest expense, net ⁽³⁾	242.0	276.4	12.5%	1,057.4	838.0	(26.2%)
Loss on early extinguishment of debt and foreign currency losses ⁽⁴⁾	0.1	(0.0)	NM	643.0	(0.0)	NM
Income before income tax provision	2,752.8	2,452.8	12.2%	8,637.1	8,616.3	0.2%
Income tax provision	1,046.0	953.3	(9.7%)	3,316.6	3,386.2	2.1%
effective tax rate	38.0%	38.9%	87 bps	38.4%	39.3%	(90) bps
Discontinued operations	(0.2)	(0.1)	(186.3%)	(1.5)	9.3	(116.4%)
Net income	1,706.6	1,499.4	13.8%	5,319.0	5,239.4	1.5%
as a % of net revenues	3.7%	3.6%	7 bps	3.0%	3.4%	(42) bps
Net income (loss) attributable to noncontrolling interest	(0.4)	1.4	NM	1.2	2.8	NM
Net income attributable to CVS Health	\$ 1,707.0	\$ 1,498.0	14.0%	\$ 5,317.7	\$ 5,236.6	1.5%
as a % of net revenues	3.7%	3.6%	7 bps	3.0%	3.4%	(42) bps
Earnings allocated to participating securities	8.5	7.9	(7.5%)	26.6	26.2	(1.7%)
Income available for common shareholders	1,698.5	1,490.0	(14.0%)	5,291.1	5,210.4	(1.5%)
Weighted average diluted shares outstanding	1,068.7	1,113.7	4.0%	1,078.9	1,125.8	4.2%
GAAP diluted EPS from continuing ops	\$ 1.59	\$ 1.34	18.8%	\$ 4.91	\$ 4.62	6.2%

Footnotes

Totals may not foot due to rounding.

- Includes \$31 million and \$46 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$53 million and \$245 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. Includes \$72 million and \$220 million of acquisition-related transaction and integration costs during the three months and year ended December 31, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. Includes \$34 million for an asset impairment charge in connection with store ratioanization for our enterprise streamlining initiative and an \$88 million reversal of a legal accrual in connection with a legal settlement during the three months and year ended December 31, 2016. Includes a \$3 million charge related to a disputed 1999 legal settlement during the year ended December 31, 2016. Includes a \$90 million charge related to a disputed 1999 legal settlement during the three months and year ended December 31, 2015.
- Includes \$52 million of acquisition-related bridge financing costs during the year ended December 31, 2015.
- Includes \$643 million from loss on extinguishment of debt during the year ended December 31, 2016.

<i>(In millions)</i>	Fourth Quarter			Full Year		
	Three months ended			Year ended		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 2015	+/- Variance
Net revenues	\$ 31,259.3	\$ 26,513.9	17.9%	\$ 119,963.2	\$ 100,362.7	19.5%
Cost of revenues	29,624.4	25,021.8	(18.4%)	114,062.3	95,135.8	(19.9%)
Gross profit	1,634.9	1,492.2	9.6%	5,900.9	5,226.9	12.9%
<i>gross margin</i>	5.2%	5.6%	(40) bps	4.9%	5.2%	(29) bps
Operating expenses ⁽¹⁾	241.0	339.9	29.1%	1,229.3	1,237.8	0.7%
<i>as a % of net revenues</i>	0.8%	1.3%	51 bps	1.0%	1.2%	21 bps
Operating profit	\$ 1,393.9	\$ 1,152.2	21.0%	\$ 4,671.5	\$ 3,989.1	17.1%
<i>operating margin</i>	4.5%	4.3%	11 bps	3.9%	4.0%	(8) bps
Net revenues:						
Mail choice	11,115.2	10,235.4	8.6%	42,782.9	37,827.4	13.1%
Pharmacy network	20,065.2	16,197.5	23.9%	76,848.0	62,240.1	23.5%
Other	78.9	81.0	(2.5%)	332.2	295.2	12.5%
Pharmacy claims processed (old method):						
Total	317.5	259.6	22.3%	1,230.0	1,011.9	21.5%
Mail choice	23.2	22.2	4.7%	89.5	85.7	4.4%
Pharmacy network	294.3	237.5	23.9%	1,140.5	926.2	23.1%
Total adjusted claims ⁽²⁾	359.0	299.5	19.9%	1,390.5	1,166.0	19.3%
Pharmacy claims processed (new method):						
Total adjusted claims ⁽³⁾	425.4	341.3	24.6%	1,639.2	1,325.8	23.6%
Adjusted mail choice	65.2	62.3	4.5%	251.5	241.1	4.3%
Adjusted pharmacy network	360.2	279.0	29.1%	1,387.7	1,084.7	27.9%
Generic dispensing rate:						
Total	85.4%	83.7%	168 bps	85.4%	83.7%	167 bps
Mail Choice	78.9%	76.5%	237 bps	78.2%	76.4%	179 bps
Pharmacy network	85.9%	84.4%	149 bps	85.9%	84.4%	152 bps
Mail choice penetration rate	18.0%	20.7%	(266) bps	18.0%	20.6%	(258) bps

Footnotes

Totals may not foot due to rounding.

- Includes an \$88 million reversal of legal accrual in connection with legal settlement during the three months and year ended December 31, 2016. Includes \$87 thousand and \$129 thousand of acquisition-related integration costs during the three months and year ended, respectively, December 31, 2015. The integration costs relate to the acquisition of Omnicare.
- Includes the adjustment to convert 90-day, non-specialty mail-choice 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.
- Beginning in Q1 2017, 90-day prescriptions filled within our pharmacy networks will be adjusted to the equivalent of three 30-day prescriptions. Under this new methodology, the mail choice penetration rate for Q4 2016 was 15.3%.

(In millions)	Fourth Quarter			Full Year		
	Three months ended			Year ended		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 2015	+/- Variance
Net revenues	\$ 20,847.4	\$ 19,902.7	4.7%	\$ 81,100.6	\$ 72,007.4	12.6%
Cost of revenues ⁽¹⁾	14,669.3	13,900.4	(5.5%)	57,362.3	50,015.0	(14.7%)
Gross profit	6,178.1	6,002.3	2.9%	23,738.2	21,992.4	7.9%
gross margin	29.6%	30.2%	(52) bps	29.3%	30.5%	(127) bps
Operating expenses ⁽²⁾	4,151.7	3,922.8	(5.8%)	16,457.1	14,862.6	(10.7%)
as a % of net revenues	19.9%	19.7%	(20) bps	20.3%	20.6%	35 bps
Operating profit	\$ 2,026.4	\$ 2,079.5	(2.6%)	\$ 7,281.1	\$ 7,129.8	2.1%
operating margin	9.7%	10.4%	(73) bps	9.0%	9.9%	(92) bps
RETAIL STATISTICS						
Same-store increase (decrease) ⁽³⁾:						
Total sales	(0.7%)	3.5%	(420) bps	1.9%	1.7%	20 bps
Retail pharmacy sales	0.2%	5.0%	(480) bps	3.2%	4.5%	(130) bps
Retail front store sales	(2.9%)	(0.5%)	(240) bps	(1.5%)	(5.0%)	350 bps
Total prescription volume	0.2%	3.2%	(300) bps	2.0%	2.0%	0 bps
Total adjusted prescription volume ⁽⁴⁾	2.0%	5.0%	(300) bps	3.6%	4.8%	(120) bps
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	4.7%	12.5%	(771) bps	12.6%	6.2%	642 bps
Pharmacy	5.7%	16.7%	(1101) bps	15.9%	9.5%	636 bps
Front store	(1.3%)	1.2%	(251) bps	0.3%	(2.5%)	281 bps
Generic dispensing rate	85.2%	84.0%	119 bps	85.7%	84.5%	116 bps
Rx % of net revenues	74.6%	73.9%	68 bps	75.0%	72.9%	212 bps
FS % of net revenues	23.9%	25.4%	(150) bps	23.6%	26.5%	(290) bps
Retail/LTC prescriptions filled	248.8	231.5	7.5%	976.2	823.5	18.5%
Adjusted retail/LTC prescriptions filled ⁽⁴⁾	314.7	287.5	9.5%	1,223.5	1,031.6	18.6%

Footnotes

Totals may not foot due to rounding.

- Includes \$31 million and \$46 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$56 million and \$235 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. Includes \$52 million and \$64 million of acquisition-related integration costs during the three months and year ended December 31, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. Includes a \$34 million asset impairment charge in connection with 2017 planned store closures related to our enterprise streamlining initiative during both the three months and year ended December 31, 2016.
- 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.

<i>(In millions)</i>	Fourth Quarter			Full Year		
	<i>Three months ended</i>			<i>Year ended</i>		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 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⁾	233.3	325.2	28.3%	893.8	1,037.4	13.8%
<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	\$ (233.3)	\$ (325.2)	28.3%	\$ (893.8)	\$ (1,037.4)	13.8%
<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>

Footnotes

Totals may not foot due to rounding.

- Includes income of \$3 million and expense of \$10 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. Includes \$20 million and \$156 million in acquisition-related transaction and integration costs during the three months and year ended December 31, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes a \$3 million charge related to a disputed 1999 legal settlement during the year ended December 31, 2016. Includes a \$90 million charge related to a disputed 1999 legal settlement during both the three months and year ended December 31, 2015.

<i>(In millions)</i>	Fourth Quarter			Full Year		
	<i>Three months ended</i>			<i>Year ended</i>		
	December 31, 2016	December 31, 2015	+/ Variance	December 31, 2016	December 31, 2015	+/ Variance
Net revenues	\$ (6,135.5)	\$ (5,271.0)	(16.4%)	\$ (23,537.4)	\$ (19,080.3)	(23.4%)
Cost of revenues	(5,927.7)	(5,077.3)	16.7%	(22,755.2)	(18,388.9)	23.7%
Gross profit	(207.8)	(193.7)	(7.3%)	(782.3)	(691.4)	(13.1%)
<i>gross margin</i>	3.4%	3.7%	(29) bps	3.3%	3.6%	(30) bps
Operating expenses	(15.6)	(16.4)	4.9%	(60.9)	(64.3)	5.3%
<i>as a % of net revenues</i>	0.3%	0.3%	(6) bps	0.3%	0.3%	N/A
Operating profit	\$ (192.2)	\$ (177.3)	(8.4%)	\$ (721.3)	\$ (627.0)	(15.0%)
<i>operating margin</i>	3.1%	3.4%	(23) bps	3.1%	3.3%	(22) bps

Footnotes

Totals may not foot due to rounding.

Adjusted to Exclude Certain Items

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

Fourth Quarter 2016

	Fourth Quarter			Full Year		
	Three months ended			Year ended		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 2015	+/- Variance
<i>(In millions, except per share amounts)</i>						
Net revenues	\$ 45,971.2	\$ 41,145.6	11.7%	\$ 177,526.3	\$ 153,289.8	15.8%
Cost of revenues ⁽¹⁾	38,335.6	33,844.8	(13.3%)	148,624.1	126,761.9	(17.2%)
Gross profit	7,635.6	7,300.8	4.6%	28,902.2	26,527.9	9.0%
gross margin	16.6%	17.7%	(113) bps	16.3%	17.3%	(103) bps
Operating expenses ⁽²⁾	4,610.6	4,409.5	(4.6%)	18,324.9	16,764.0	(9.3%)
as a % of net revenues	10.0%	10.7%	69 bps	10.3%	10.9%	61 bps
Operating profit	\$ 3,025.0	\$ 2,891.3	4.6%	\$ 10,577.3	\$ 9,763.9	8.3%
operating margin	6.6%	7.0%	(45) bps	6.0%	6.4%	(41) bps
Interest expense, net ⁽³⁾	242.0	276.4	12.5%	1,057.4	785.8	(34.6%)
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	2,783.0	2,614.9	6.4%	9,519.9	8,978.1	6.0%
Amortization	202.6	191.5	5.8%	795.3	611.0	30.2%
Adjusted net income before income tax provision	2,985.6	2,806.3	6.4%	10,315.2	9,589.0	7.6%
Adjusted income tax provision	1,149.2	1,092.2	(5.2%)	3,981.7	3,749.3	(6.2%)
effective tax rate	38.5%	38.9%	43 bps	38.6%	39.1%	50 bps
Discontinued operations	(0.2)	(0.1)	-186.3%	(1.5)	9.3	116.4%
Adjusted net income	1,836.2	1,714.1	7.1%	6,332.0	5,849.0	8.3%
as a % of net revenues	4.0%	4.2%	(17) bps	3.6%	3.8%	(25) bps
Earnings allocated to participating securities	(9.1)	(8.5)	(7.8%)	(31.7)	(27.4)	(15.6%)
Net income attributable to noncontrolling interest	(0.4)	1.4	NM	1.2	2.8	NM
Adjusted net income attributable to CVS Health	\$ 1,827.5	\$ 1,704.2	7.2%	\$ 6,299.1	\$ 5,818.8	8.3%
as a % of net revenues	4.0%	4.1%	(17) bps	3.5%	3.8%	(25) bps
Weighted average diluted shares outstanding	1,068.7	1,113.7	4.0%	1,078.9	1,125.8	4.2%
Adjusted EPS from continuing operations	\$ 1.71	\$ 1.53	11.8%	\$ 5.84	\$ 5.16	13.2%
Depreciation ⁽⁵⁾	417.5	379.1	10.1%	1,650.2	1,469.4	12.3%
EBITDA	\$ 3,645.2	\$ 3,461.9	5.3%	\$ 13,022.8	\$ 11,844.2	10.0%
as a % of net revenues	7.9%	8.4%	(48) bps	7.3%	7.7%	(39) bps

Footnotes

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- Excludes \$53 million and \$245 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. Excludes \$72 million and \$220 million of acquisition-related transaction and integration costs during the three months and year ended December 31, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. Excludes a \$90 million charge related to a disputed 1999 legal settlement during both the three months and year ended December 31, 2015. Excludes a \$3 million charge related to a disputed 1999 legal settlement during the year ended December 31, 2016. Excludes a \$34 million asset impairment charge in connection with 2017 planned store closures related to our enterprise streamlining initiative and \$88 million reversal of a legal accrual in connection with a legal settlement during both the three months and the year ended December 31, 2016.
- Excludes \$52 million of acquisition-related bridge financing costs during the year ended December 31, 2015.
- Excludes \$643 million from loss on extinguishment of debt during the year ended December 31, 2016.
- Excludes \$8 million and \$30 million of acquisition-related integration depreciation during the three months and year ended December 31, 2016, respectively. Excludes \$11 million of acquisition-related integration depreciation during the three months and year ended December 31, 2015. The depreciation relates to the acquisitions of Omnicare and the pharmacies and clinics of Target.

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

Fourth Quarter 2016

(In millions)	Fourth Quarter			Full Year		
	Three months ended			Year ended		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 2015	+/- Variance
Net revenues	\$ 31,259.3	\$ 26,513.9	17.9%	\$ 119,963.2	\$ 100,362.7	19.5%
Cost of revenues	29,624.4	25,021.8	(18.4%)	114,062.3	95,135.8	(19.9%)
Gross profit	1,634.9	1,492.2	9.6%	5,900.9	5,226.9	12.9%
gross margin	5.2%	5.6%	(40) bps	4.9%	5.2%	(29) bps
Operating expenses ⁽¹⁾	329.0	339.9	3.2%	1,317.3	1,237.7	(6.4%)
as a % of net revenues	1.1%	1.3%	23 bps	1.1%	1.2%	14 bps
Operating profit	\$ 1,305.9	\$ 1,152.3	13.3%	\$ 4,583.6	\$ 3,989.2	14.9%
operating margin	4.2%	4.3%	(17) bps	3.8%	4.0%	(15) bps
Depreciation and amortization	178.9	170.2	5.1%	713.5	653.9	9.1%
EBITDA	\$ 1,484.8	\$ 1,322.5	12.3%	\$ 5,297.1	\$ 4,643.1	14.1%
as a % of net revenues	4.7%	5.0%	(24) bps	4.4%	4.6%	(21) bps
Net revenues:						
Mail choice	11,115.2	10,235.4	8.6%	42,782.9	37,827.4	13.1%
Pharmacy network	20,065.2	16,197.5	23.9%	76,848.0	62,240.1	23.5%
Other	78.9	81.0	(2.5%)	332.2	295.2	12.5%
Pharmacy claims processed (old method):						
Total	317.5	259.6	22.3%	1,230.0	1,011.9	21.5%
Mail choice	23.2	22.2	4.7%	89.5	85.7	4.4%
Pharmacy network	294.3	237.5	23.9%	1,140.5	926.2	23.1%
Total adjusted claims ⁽²⁾	359.0	299.5	19.9%	1,390.5	1,166.0	19.3%
Pharmacy claims processed (new method):						
Total adjusted claims ⁽³⁾	425.4	341.3	24.6%	1,639.2	1,325.8	23.6%
Adjusted mail choice	65.2	62.3	4.5%	251.5	241.1	4.3%
Adjusted pharmacy network	360.2	279.0	29.1%	1,387.7	1,084.7	27.9%
Generic dispensing rate:						
Total	85.4%	83.7%	168 bps	85.4%	83.7%	167 bps
Mail Choice	78.9%	76.5%	237 bps	78.2%	76.4%	179 bps
Pharmacy network	85.9%	84.4%	149 bps	85.9%	84.4%	152 bps
Mail choice penetration rate	18.0%	20.7%	(266) bps	18.0%	20.6%	(258) bps

Footnotes

Totals may not foot due to rounding.

- Excludes \$88 million for a reversal of a legal accrual in connection with legal settlement during the three months and year ended December 31, 2016. Excludes \$87 thousand and \$129 thousand of acquisition-related integration costs during the three months and year ended, respectively, December 31, 2015. The integration costs relate to the acquisition of Omnicare.
- Includes the adjustment to convert 90-day, non-specialty mail choice 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.
- Beginning in Q1 2017, 90-day prescriptions filled within our pharmacy networks will be adjusted to the equivalent of three 30-day prescriptions. Under this new methodology, the mail choice penetration rate for Q4 2016 was 15.3%.

Supplemental Information: Retail/LTC Segment
(Excluding Certain Items)

Fourth Quarter 2016

(In millions)	Fourth Quarter			Full Year		
	Three months ended			Year ended		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 2015	+/- Variance
Net revenues	\$ 20,847.4	\$ 19,902.7	4.7%	\$ 81,100.6	\$ 72,007.4	12.6%
Cost of revenues ⁽¹⁾	14,638.9	13,900.4	(5.3%)	57,316.9	50,015.0	(14.6%)
Gross profit	6,208.5	6,002.3	3.4%	23,783.6	21,992.4	8.1%
gross margin	29.8%	30.2%	(38) bps	29.3%	30.5%	(122) bps
Operating expenses ⁽²⁾	4,060.8	3,870.7	(4.9%)	16,189.0	14,798.6	(9.4%)
as a % of net revenues	19.5%	19.4%	(3) bps	20.0%	20.6%	59 bps
Operating profit	\$ 2,147.7	\$ 2,131.6	0.8%	\$ 7,594.6	\$ 7,193.8	5.6%
operating margin	10.3%	10.7%	(41) bps	9.4%	10.0%	(63) bps
Depreciation and amortization ⁽³⁾	411.8	373.2	10.3%	1,612.8	1,324.4	21.8%
EBITDA	\$ 2,559.5	\$ 2,504.8	2.2%	\$ 9,207.4	\$ 8,518.2	8.1%
as a % of net revenues	12.3%	12.6%	(31) bps	11.4%	11.8%	(48) bps
RETAIL STATISTICS						
Same-store increase (decrease) ⁽⁴⁾:						
Total sales	(0.7%)	3.5%	(420) bps	1.9%	1.7%	20 bps
Retail pharmacy sales	0.2%	5.0%	(480) bps	3.2%	4.5%	(130) bps
Retail front store sales	(2.9%)	(0.5%)	(240) bps	(1.5%)	(5.0%)	350 bps
Total prescription volume	0.2%	3.2%	(300) bps	2.0%	2.0%	0 bps
Total adjusted prescription volume ⁽⁵⁾	2.0%	5.0%	(300) bps	3.6%	4.8%	(120) bps
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	4.7%	12.5%	(771) bps	12.6%	6.2%	642 bps
Pharmacy	5.7%	16.7%	(1101) bps	15.9%	9.5%	636 bps
Front store	(1.3%)	1.2%	(251) bps	0.3%	(2.5%)	281 bps
Generic dispensing rate	85.2%	84.0%	119 bps	85.7%	84.5%	116 bps
Rx % of net revenues	74.6%	73.9%	68 bps	75.0%	72.9%	212 bps
FS % of net revenues	23.9%	25.4%	(150) bps	23.6%	26.5%	(290) bps
Retail/LTC prescriptions filled	248.8	231.5	7.5%	976.2	823.5	18.5%
Adjusted retail/LTC prescriptions filled ⁽⁵⁾	314.7	287.5	9.5%	1,223.5	1,031.6	18.6%

Footnotes

Totals may not foot due to rounding.

- Excludes \$31 million and \$46 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$56 million and \$235 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. Excludes \$52 million and \$64 million of acquisition-related integration costs during the three months and year ended December 31, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. Excludes a \$34 million asset impairment charge in connection with 2017 planned store closures related to our enterprise streamlining initiative during both the three months and year ended December 31, 2016.
- Excludes \$8 million and \$30 million of acquisition-related integration depreciation during the three months and year ended December 31, 2016, respectively. Excludes \$11 million of acquisition-related integration depreciation during both the three months and year ended December 31, 2015. 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)**

Fourth Quarter 2016

<i>(In millions)</i>	Fourth Quarter			Full Year		
	<i>Three months ended</i>			<i>Year ended</i>		
	December 31, 2016	December 31, 2015	+/- Variance	December 31, 2016	December 31, 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⁾	236.3	215.3	(9.8%)	879.6	792.0	(11.1%)
<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	\$ (236.3)	\$ (215.3)	(9.8%)	\$ (879.6)	\$ (792.0)	(11.1%)
<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>
Depreciation and amortization	29.4	27.1	8.3%	119.2	102.6	16.1%
EBITDA	\$ (206.9)	\$ (188.1)	(10.0%)	\$ (760.4)	\$ (689.4)	(10.3%)
<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 income of \$3 million and expense of \$10 million of acquisition-related integration costs during the three months and year ended December 31, 2016, respectively. Excludes \$20 million and \$156 million in acquisition-related transaction and integration costs during the three months and year ended December 31, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- 2 Excludes a \$3 million charge related to a disputed 1999 legal settlement during the year ended December 31, 2016. Excludes a \$90 million charge related to a disputed 1999 legal settlement during both the three months and year ended December 31, 2015.