



CVS Health Corporation

Supplemental Financial Information

Preliminary and Unaudited
Third Quarter 2016
Earnings Release
November 8, 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 September 30, 2016. This filing is available on the investor relations portion of our website at investors.cvshealth.com.

GAAP

Supplemental Information: Consolidated Statement of Income

Third Quarter 2016

	Third Quarter			Year-to-Date		
	Three months ended			Nine months ended		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 30, 2015	+/- Variance
<i>(In millions, except per share amounts)</i>						
Net revenues	\$ 44,615.1	\$ 38,643.6	15.5%	\$ 131,555.1	\$ 112,144.2	17.3%
Cost of revenues ⁽¹⁾	37,122.7	31,982.8	(16.1%)	110,303.5	92,917.1	(18.7%)
Gross profit	7,492.4	6,660.8	12.5%	21,251.6	19,227.1	10.5%
gross margin	16.8%	17.2%	(44) bps	16.2%	17.1%	(99) bps
Operating expenses ⁽²⁾	4,675.0	4,330.0	8.0%	13,909.0	12,502.0	11.3%
as a % of net revenues	10.5%	11.2%	73 bps	10.6%	11.1%	58 bps
Operating profit	\$ 2,817.4	\$ 2,330.8	20.9%	\$ 7,342.6	\$ 6,725.2	9.2%
operating margin	6.3%	6.0%	28 bps	5.6%	6.0%	(42) bps
Interest expense, net ⁽³⁾	252.6	261.4	3.4%	815.4	561.6	(45.2%)
Loss on early extinguishment of debt and foreign currency losses ⁽⁴⁾	101.1	0.0	NM	642.9	(0.0)	NM
Income before income tax provision	2,463.8	2,069.5	19.1%	5,884.3	6,163.5	(4.5%)
Income tax provision	921.4	831.9	(10.8%)	2,270.7	2,432.9	6.7%
effective tax rate	37.4%	40.2%	280 bps	38.6%	39.5%	88 bps
Discontinued operations	(1.1)	9.6	111.7%	(1.3)	9.4	113.7%
Net income	1,541.2	1,247.1	23.6%	3,612.3	3,740.0	(3.4%)
as a % of net revenues	3.5%	3.2%	23 bps	2.7%	3.3%	(59) bps
Net income attributable to noncontrolling interest	0.8	1.0	NM	1.7	1.4	NM
Net income attributable to CVS Health	\$ 1,540.4	\$ 1,246.2	23.6%	\$ 3,610.7	\$ 3,738.6	(3.4%)
as a % of net revenues	3.5%	3.2%	23 bps	2.7%	3.3%	(59) bps
Earnings allocated to participating securities	(7.3)	(6.4)	(14.5%)	(18.1)	(18.4)	1.4%
Income available for common shareholders	1,533.1	1,239.8	(23.7%)	3,592.6	3,720.3	3.4%
Weighted average diluted shares outstanding	1,072.6	1,121.0	4.3%	1,082.3	1,129.8	4.2%
GAAP diluted EPS from continuing ops	\$ 1.43	\$ 1.10	30.3%	\$ 3.32	\$ 3.28	1.1%

Footnotes

Totals may not foot due to rounding.

- Includes \$4.8 million and \$15.0 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$60.0 million and \$191.6 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Includes \$127 million and \$147 million of acquisition-related transaction and integration costs during the three and nine months ended September 30, 2015, respectively. 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 nine months ended September 30, 2016.
- Includes \$16 million and \$52 million of acquisition-related bridge financing costs during the three and nine months ended September 30, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$101.1 million and \$642.9 million from loss on extinguishment of debt during the three and nine months ended September 30, 2016, respectively.

<i>(In millions)</i>	Third Quarter			Year-to-Date		
	Three months ended			Nine months ended		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 30, 2015	+/- Variance
Net revenues	\$ 30,429.1	\$ 25,528.3	19.2%	\$ 88,703.9	\$ 73,848.7	20.1%
Cost of revenues	28,632.4	24,060.1	(19.0%)	84,438.0	70,114.0	(20.4%)
Gross profit	1,796.7	1,468.2	22.4%	4,266.0	3,734.7	14.2%
<i>gross margin</i>	5.9%	5.8%	15 bps	4.8%	5.1%	(25) bps
Operating expenses ⁽¹⁾	340.0	305.8	(11.2%)	988.4	897.9	(10.1%)
<i>as a % of net revenues</i>	1.1%	1.2%	8 bps	1.1%	1.2%	10 bps
Operating profit	\$ 1,456.7	\$ 1,162.4	25.3%	\$ 3,277.6	\$ 2,836.9	15.5%
<i>operating margin</i>	4.8%	4.6%	23 bps	3.7%	3.8%	(15) bps
Net revenues:						
Mail choice	10,872.2	9,735.3	11.7%	31,667.8	27,592.0	14.8%
Pharmacy network	19,468.8	15,716.2	23.9%	56,782.8	46,042.5	23.3%
Other	88.1	76.7	14.9%	253.3	214.2	18.3%
Pharmacy claims processed:						
Total	305.0	251.0	21.5%	912.5	752.3	21.3%
Mail choice	22.4	21.9	2.5%	66.3	63.5	4.3%
Pharmacy network	282.6	229.1	23.3%	846.2	688.8	22.9%
Total adjusted claims ⁽²⁾	345.3	290.3	18.9%	1,031.5	866.5	19.0%
Generic dispensing rate:						
Total	85.4%	83.8%	162 bps	85.4%	83.7%	163 bps
Mail Choice	78.5%	76.5%	202 bps	78.0%	76.3%	166 bps
Pharmacy network	86.0%	84.5%	148 bps	85.9%	84.4%	153 bps
Mail choice penetration rate	18.1%	21.1%	(291) bps	18.0%	20.5%	(255) bps

Footnotes

Totals may not foot due to rounding.

- 1 Includes \$0.5 million of income and \$0.1 million of costs during the three and nine months ended September 30, 2016, respectively, related to the acquisitions of Omnicare.
- 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)	Third Quarter			Year-to-Date		
	Three months ended			Nine months ended		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 30, 2015	+/- Variance
Net revenues	\$ 20,142.7	\$ 17,911.7	12.5%	\$ 60,253.1	\$ 52,104.7	15.6%
Cost of revenues ⁽¹⁾	14,249.0	12,538.3	(13.6%)	42,693.0	36,114.7	(18.2%)
Gross profit	5,893.8	5,373.4	9.7%	17,560.1	15,990.1	9.8%
gross margin	29.3%	30.0%	(74) bps	29.1%	30.7%	(154) bps
Operating expenses ⁽²⁾	4,121.4	3,730.7	(10.5%)	12,305.4	10,939.8	(12.5%)
as a % of net revenues	20.5%	20.8%	37 bps	20.4%	21.0%	57 bps
Operating profit	\$ 1,772.3	\$ 1,642.7	7.9%	\$ 5,254.7	\$ 5,050.3	4.0%
operating margin	8.8%	9.2%	(37) bps	8.7%	9.7%	(97) bps
RETAIL STATISTICS						
Same-store increase (decrease) ⁽³⁾:						
Total sales	2.3%	1.7%	60 bps	2.8%	1.1%	170 bps
Retail pharmacy sales	3.4%	4.6%	(120) bps	4.3%	4.3%	0 bps
Retail front store sales	(1.0%)	(5.8%)	480 bps	(1.0%)	(6.6%)	560 bps
Total prescription volume	1.5%	3.2%	(170) bps	2.7%	1.6%	110 bps
Total adjusted prescription volume ⁽⁴⁾	3.0%	4.4%	(140) bps	4.1%	4.8%	(70) bps
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	12.5%	6.9%	552 bps	15.6%	4.0%	1164 bps
Pharmacy	15.3%	10.4%	486 bps	19.9%	7.0%	1289 bps
Front store	0.8%	(2.4%)	325 bps	0.9%	(3.7%)	467 bps
Generic dispensing rate	85.8%	84.8%	105 bps	85.8%	84.7%	110 bps
Rx % of net revenues	76.0%	74.1%	190 bps	75.2%	72.5%	270 bps
FS % of net revenues	22.7%	25.3%	(260) bps	23.5%	26.9%	(340) bps
Retail/LTC prescriptions filled	240.4	205.7	16.9%	727.3	592.0	22.9%
Adjusted retail/LTC prescriptions filled ⁽⁴⁾	302.9	258.7	17.1%	908.8	744.1	22.1%

Footnotes

Totals may not foot due to rounding.

- Includes \$4.9 million and \$15.0 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Includes \$47.2 million and \$177.2 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Includes \$12 million of acquisition-related integration costs during the three and nine months ended September 30, 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.

<i>(In millions)</i>	Third Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 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⁾	228.2	308.6	26.0%	660.6	712.2	7.3%
<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>
Operating profit	\$ (228.2)	\$ (308.6)	26.0%	\$ (660.6)	\$ (712.2)	7.3%
<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.

1 Includes \$13.3 million and \$14.3 million in acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Includes \$115 million and \$135 million of acquisition-related transaction and integration costs during the three and nine months ended September 30, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.

2 Includes a \$3.1 million charge related to a disputed 1999 legal settlement during the nine months ended September 30, 2016.

<i>(In millions)</i>	Third Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	September 30, 2016	September 30, 2015	+/ Variance	September 30, 2016	September 30, 2015	+/ Variance
Net revenues	\$ (5,956.8)	\$ (4,796.4)	(24.2%)	\$ (17,401.9)	\$ (13,809.2)	(26.0%)
Cost of revenues	(5,758.7)	(4,615.6)	24.8%	(16,827.5)	(13,311.6)	26.4%
Gross profit	(198.1)	(180.7)	(9.6%)	(574.5)	(497.7)	(15.4%)
<i>gross margin</i>	3.3%	3.8%	(44) bps	3.3%	3.6%	(30) bps
Operating expenses	(14.7)	(15.0)	2.2%	(45.3)	(47.9)	5.4%
<i>as a % of net revenues</i>	0.2%	0.3%	(7) bps	0.3%	0.3%	N/A
Operating profit	\$ (183.4)	\$ (165.7)	(10.7%)	\$ (529.1)	\$ (449.7)	(17.6%)
<i>operating margin</i>	3.1%	3.5%	(38) bps	3.0%	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)**

Third Quarter 2016

	Third Quarter			Year-to-Date		
	Three months ended			Nine months ended		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 30, 2015	+/- Variance
<i>(In millions, except per share amounts)</i>						
Net revenues	\$ 44,615.1	\$ 38,643.6	15.5%	\$ 131,555.1	\$ 112,144.2	17.3%
Cost of revenues ⁽¹⁾	37,117.8	31,982.8	(16.1%)	110,288.5	92,917.1	(18.7%)
Gross profit	7,497.3	6,660.8	12.6%	21,266.6	19,227.1	10.6%
gross margin	16.8%	17.2%	(43) bps	16.2%	17.1%	(98) bps
Operating expenses ⁽²⁾	4,614.9	4,203.2	(9.8%)	13,714.3	12,354.6	(11.0%)
as a % of net revenues	10.3%	10.9%	53 bps	10.4%	11.0%	59 bps
Operating profit	\$ 2,882.3	\$ 2,457.7	17.3%	\$ 7,552.3	\$ 6,872.6	9.9%
operating margin	6.5%	6.4%	10 bps	5.7%	6.1%	(39) bps
Interest expense, net ⁽³⁾	252.6	245.6	(2.8%)	815.4	509.4	(60.1%)
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	2,629.8	2,212.1	18.9%	6,736.9	6,363.2	5.9%
Amortization	196.1	159.6	22.9%	592.7	419.5	41.3%
Adjusted net income before income tax provision	2,825.9	2,371.6	19.2%	7,329.6	6,782.7	8.1%
Adjusted income tax provision	1,062.5	932.0	(14.0%)	2,832.5	2,657.5	(6.6%)
effective tax rate	37.6%	39.3%	170 bps	38.6%	39.2%	54 bps
Discontinued operations	(1.1)	9.6	111.7%	(1.3)	9.4	113.7%
Adjusted net income	1,762.2	1,449.2	21.6%	4,495.8	4,134.6	8.7%
as a % of net revenues	3.9%	3.8%	20 bps	3.4%	3.7%	(27) bps
Earnings allocated to participating securities	(8.4)	(6.9)	(21.3%)	(22.6)	(19.0)	(19.1%)
Net income attributable to noncontrolling interest	0.8	1.0	NM	1.7	1.4	NM
Adjusted net income attributable to CVS Health	\$ 1,753.0	\$ 1,441.3	21.6%	\$ 4,471.5	\$ 4,114.2	8.7%
as a % of net revenues	3.9%	3.7%	20 bps	3.4%	3.7%	(27) bps
Weighted average diluted shares outstanding	1,072.6	1,121.0	4.3%	1,082.3	1,129.8	4.2%
Adjusted EPS from continuing operations	\$ 1.64	\$ 1.28	28.0%	\$ 4.13	\$ 3.63	13.8%
Depreciation ⁽⁵⁾	408.2	372.5	9.6%	1,232.7	1,090.2	13.1%
EBITDA	\$ 3,486.6	\$ 2,989.7	16.6%	\$ 9,377.7	\$ 8,382.3	11.9%
as a % of net revenues	7.8%	7.7%	8 bps	7.1%	7.5%	(35) bps

Footnotes

Totals may not foot due to rounding.

- Excludes \$4.8 million and \$15.0 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$60.0 million and \$191.6 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Excludes \$127 million and \$147 million of acquisition-related transaction and integration costs during the three and nine months ended September 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target. Excludes a \$3.1 million charge related to a disputed 1999 legal settlement during the nine months ended September 30, 2016.
- Excludes \$16 million and \$52 million of acquisition-related bridge financing costs during the three and nine months ended September 30, 2015, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$101.1 million and \$642.9 million from loss on extinguishment of debt during the three months and nine months ended September 30, 2016, respectively.
- Excludes \$6.7 million and \$21.4 million of acquisition-related integration depreciation during the three and nine months ended September 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)**

Third Quarter 2016

<i>(In millions)</i>	Third Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	September 30, 2016	September 30, 2015	+/ Variance	September 30, 2016	September 30, 2015	+/ Variance
Net revenues	\$ 30,429.1	\$ 25,528.3	19.2%	\$ 88,703.9	\$ 73,848.7	20.1%
Cost of revenues	28,632.4	24,060.1	(19.0%)	84,438.0	70,114.0	(20.4%)
Gross profit	1,796.7	1,468.2	22.4%	4,266.0	3,734.7	14.2%
<i>gross margin</i>	5.9%	5.8%	15 bps	4.8%	5.1%	(25) bps
Operating expenses ⁽¹⁾	340.5	305.7	(11.4%)	988.3	897.8	(10.1%)
<i>as a % of net revenues</i>	1.1%	1.2%	8 bps	1.1%	1.2%	10 bps
Operating profit	\$ 1,456.2	\$ 1,162.4	25.3%	\$ 3,277.7	\$ 2,836.9	15.5%
<i>operating margin</i>	4.8%	4.6%	23 bps	3.7%	3.8%	(15) bps
Depreciation and amortization	179.0	164.0	9.2%	534.6	483.7	10.5%
EBITDA	\$ 1,635.2	\$ 1,326.4	23.3%	\$ 3,812.3	\$ 3,320.6	14.8%
<i>as a % of net revenues</i>	5.4%	5.2%	18 bps	4.3%	4.5%	(20) bps
Net revenues:						
Mail choice	10,872.2	9,735.3	11.7%	31,667.8	27,592.0	14.8%
Pharmacy network	19,468.8	15,716.2	23.9%	56,782.8	46,042.5	23.3%
Other	88.1	76.7	14.9%	253.3	214.2	18.3%
Pharmacy claims processed:						
Total	305.0	251.0	21.5%	912.5	752.3	21.3%
Mail choice	22.4	21.9	2.5%	66.3	63.5	4.3%
Pharmacy network	282.6	229.1	23.3%	846.2	688.8	22.9%
Total adjusted claims ⁽²⁾	345.3	290.3	18.9%	1,031.5	866.5	19.0%
Generic dispensing rate:						
Total	85.4%	83.8%	162 bps	85.4%	83.7%	163 bps
Mail Choice	78.5%	76.5%	202 bps	78.0%	76.3%	166 bps
Pharmacy network	86.0%	84.5%	148 bps	85.9%	84.4%	153 bps
Mail choice penetration rate	18.1%	21.1%	(291) bps	18.0%	20.5%	(255) bps

Footnotes

Totals may not foot due to rounding.

1 Excludes \$0.5 million of income and \$0.1 million of costs during the three and nine months ended September 30, 2016, respectively, related to the acquisitions of Omnicare.

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)

Third Quarter 2016

(In millions)	Third Quarter			Year-to-Date		
	Three months ended			Nine months ended		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 30, 2015	+/- Variance
Net revenues	\$ 20,142.7	\$ 17,911.7	12.5%	\$ 60,253.1	\$ 52,104.7	15.6%
Cost of revenues ⁽¹⁾	14,244.1	12,538.3	(13.6%)	42,678.0	36,114.7	(18.2%)
Gross profit	5,898.6	5,373.4	9.8%	17,575.1	15,990.1	9.9%
gross margin	29.3%	30.0%	(72) bps	29.2%	30.7%	(152) bps
Operating expenses ⁽²⁾	4,074.2	3,718.8	(9.6%)	12,128.2	10,927.9	(11.0%)
as a % of net revenues	20.2%	20.8%	54 bps	20.1%	21.0%	84 bps
Operating profit	\$ 1,824.4	\$ 1,654.6	10.3%	\$ 5,446.9	\$ 5,062.2	7.6%
operating margin	9.1%	9.2%	(18) bps	9.0%	9.7%	(68) bps
Depreciation and amortization ⁽³⁾	395.8	342.8	15.5%	1,201.0	951.2	26.3%
EBITDA	\$ 2,220.2	\$ 1,997.4	11.2%	\$ 6,647.9	\$ 6,013.4	10.6%
as a % of net revenues	11.0%	11.2%	(13) bps	11.0%	11.5%	(51) bps
RETAIL STATISTICS						
Same-store increase (decrease) ⁽⁴⁾:						
Total sales	2.3%	1.7%	60 bps	2.8%	1.1%	170 bps
Retail pharmacy sales	3.4%	4.6%	(120) bps	4.3%	4.3%	0 bps
Retail front store sales	(1.0%)	(5.8%)	480 bps	(1.0%)	(6.6%)	560 bps
Total prescription volume	1.5%	3.2%	(170) bps	2.7%	1.6%	110 bps
Total adjusted prescription volume ⁽⁵⁾	3.0%	4.4%	(140) bps	4.1%	4.8%	(70) bps
SEGMENT STATISTICS						
Net revenues increase (decrease):						
Total	12.5%	6.9%	552 bps	15.6%	4.0%	1164 bps
Pharmacy	15.3%	10.4%	486 bps	19.9%	7.0%	1289 bps
Front store	0.8%	(2.4%)	325 bps	0.9%	(3.7%)	467 bps
Generic dispensing rate	85.8%	84.8%	105 bps	85.8%	84.7%	110 bps
Rx % of net revenues	76.0%	74.1%	190 bps	75.2%	72.5%	270 bps
FS % of net revenues	22.7%	25.3%	(260) bps	23.5%	26.9%	(340) bps
Retail/LTC prescriptions filled	240.4	205.7	16.9%	727.3	592.0	22.9%
Adjusted retail/LTC prescriptions filled ⁽⁵⁾	302.9	258.7	17.1%	908.8	744.1	22.1%

Footnotes

Totals may not foot due to rounding.

- Excludes \$4.9 million and \$15.0 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$47.2 million and \$177.2 million of acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Excludes \$12 million of acquisition-related integration costs during the three and nine months ended September 30, 2015. The costs relate to the acquisitions of Omnicare and the pharmacies and clinics of Target.
- Excludes \$6.7 million and \$21.4 million of acquisition-related integration depreciation during the three and nine months ended September 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)**

Third Quarter 2016

<i>(In millions)</i>	Third Quarter			Year-to-Date		
	<i>Three months ended</i>			<i>Nine months ended</i>		
	September 30, 2016	September 30, 2015	+/- Variance	September 30, 2016	September 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⁾	214.9	193.6	(11.0%)	643.2	576.8	(11.5%)
<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	\$ (214.9)	\$ (193.6)	(11.0%)	\$ (643.2)	\$ (576.8)	(11.5%)
<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	29.5	25.9	14.0%	89.8	75.5	19.0%
EBITDA	\$ (185.4)	\$ (167.8)	(10.5%)	\$ (553.4)	\$ (501.3)	(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 \$13.3 million and \$14.3 million in acquisition-related integration costs during the three and nine months ended September 30, 2016, respectively. Excludes \$115 million and \$135 million of acquisition-related transaction costs during the three and nine months ended September 30, 2015, respectively. 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 nine months ended September 30, 2016.