

CAREMARK RX INC  
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Subject Company: Caremark Rx, Inc.  
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### **CVS Offer Provides Caremark Shareholders Superior Value**

WOONSOCKET, R.I. - Jan. 24, 2007 - In response to a letter to Caremark shareholders issued by Express Scripts earlier today, CVS (NYSE: CVS) issued the following statement:

By any measure, a CVS/Caremark combination would provide superior value to Caremark shareholders as compared to Express Scripts' highly conditional offer. Our transaction, which has cleared all significant regulatory hurdles and is on track to close in February, will create the nation's leading pharmacy services provider. CVS/Caremark will be positioned to offer payors and consumers unique products and services that will reduce cost, improve outcomes, accelerate revenue growth and create substantial shareholder value. Significantly, CVS/Caremark will be led by an established team from both companies with a strong track record of creating value.

In contrast, Express Scripts is proposing entering into a transaction 20 times larger than it has ever undertaken, requiring it to integrate a company three times its size while carrying a heavy debt burden. Furthermore, Express Scripts' "offer" is so conditional that even if the CVS/Caremark transaction were not completed, it is highly likely that Caremark shareholders would end up with a transaction at substantially reduced terms, or no deal at all. In fact, the Express Scripts' "offer" requires Caremark shareholders to walk away from the CVS transaction and to incur the risk of being left alone at the altar as a damaged company having lost significant clients and missed the entire 2007 selling season.

Express Scripts' most recent letter is nothing more than a continuation of its sideshow attempt to distract Caremark shareholders from the obvious deficiencies of its own offer. We are particularly amused by the specious argument employed by Express Scripts that the \$2.00 dividend payable to Caremark shareholders upon closing of the CVS/Caremark merger is really worth \$1.09. If the same "logic" were applied to the Express Scripts' offer, which would be financed by a combined company that would be 57% owned by Caremark shareholders, the cash component of their offer would be worth 43% of its face value. In fact, since the announcement of the \$2.00 special cash dividend, the value of the CVS offer is up by more than \$4.40 or approximately 8.4% .

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## About CVS

CVS is America's largest retail pharmacy, operating more than 6,200 retail and specialty pharmacy stores in 43 states and the District of Columbia. With more than 40 years of dynamic growth in the retail pharmacy industry, CVS is committed to being the easiest pharmacy retailer for customers to use. CVS innovatively serves the healthcare needs of all customers through its CVS/pharmacy stores; its online pharmacy, CVS.com; its retail-based health clinic subsidiary, MinuteClinic; and its pharmacy benefit management, mail order and specialty pharmacy subsidiary, PharmaCare. General information about CVS is available through the Investor Relations portion of the Company's website, at <http://investor.cvs.com>, as well as through the pressroom portion of the Company's website, at [www.cvs.com/pressroom](http://www.cvs.com/pressroom).

## Cautionary Statement Regarding Forward-Looking Statements

This document contains certain forward-looking statements about CVS and Caremark. When used in this document, the words "anticipates," "may," "can," "believes," "expects," "projects," "intends," "likely," "will," "to be" and any similar expressions and any other statements that are not historical facts, in each case as they relate to CVS or Caremark or to the combined company, the management of either such company or the combined company or the transaction are intended to identify those assertions as forward-looking statements. In making any of those statements, the person making them believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected or anticipated. These forward-looking statements, including, without limitation, statements relating to anticipated accretion, return on equity, cost synergies, incremental revenues and new products and offerings, are subject to numerous risks and uncertainties. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond the control of CVS and Caremark, including macroeconomic condition and general industry conditions such as the competitive environment for retail pharmacy and pharmacy benefit management companies, regulatory and litigation matters and risks, legislative developments, changes in tax and other laws and the effect of changes in general economic conditions, the risk that a condition to closing of the transaction may not be satisfied, the risk that a regulatory approval that may be required for the transaction is not obtained or is obtained subject to conditions that are not anticipated and other risks to consummation of the transaction. The actual results or performance by CVS or Caremark or the combined company, and issues relating to the transaction, could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of CVS or Caremark, the combined company or the transaction.

## Important Information for Investors and Stockholders

A Registration Statement on Form S-4, containing a joint proxy statement and prospectus relating to the proposed merger of Caremark and CVS, was declared effective by the Securities and Exchange Commission on January 19, 2007. CVS and

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Caremark urge investors and shareholders to read the joint proxy statement/prospectus and any other relevant documents filed by either party with the SEC because they will contain important information.

Investors and shareholders may obtain the joint proxy statement / prospectus and other documents filed with the SEC free of charge at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, documents filed with the SEC by CVS will be available free of charge on the investor relations portion of the CVS website at <http://investor.cvs.com>. Documents filed with the SEC by Caremark will be available free of charge on the investor relations portion of the Caremark website at [www.caremark.com](http://www.caremark.com).

CVS and certain of its directors and executive officers are participants in the solicitation of proxies from the shareholders of CVS in connection with the merger. A description of the interests of CVS's directors and executive officers in CVS is set forth in the proxy statement for CVS's 2006 annual meeting of shareholders, which was filed with the SEC on March 24, 2006 and in the joint proxy statement/prospectus referred to above. Caremark, and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies from its shareholders in connection with the merger. A description of the interests of Caremark's directors and executive officers in Caremark is set forth in the proxy statement for Caremark's 2006 annual meeting of shareholders, which was filed with the SEC on April 7, 2006 and in the joint proxy statement/prospectus referred to above.

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