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CAREMARK RX INC  
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Subject Company: Caremark Rx, Inc.  
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The CVS/Caremark Merger is in the Best Interest of Shareholders

February 2, 2007

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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.

This presentation may include certain non-GAAP financial measures as defined under SEC rules. A reconciliation to the most directly comparable GAAP measures can be found in the footnotes to the tables attached to Caremark's latest quarterly earnings press release and certain supplemental information is provided on [caremarkrx.com](http://caremarkrx.com) (applicable slides are footnoted).

Important Information

CVS and Caremark have filed a joint proxy statement / prospectus with the SEC in connection with the proposed merger. CVS and Caremark urge investors and stockholders 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 stockholders can 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).

Caremark Profile

- o Leading pharmaceutical services company providing comprehensive drug benefit services to health plan sponsors and their participants
- o Uniquely Integrated Services
  - PBM, Specialty, Disease Management
- o Clients
  - Corporate health plans
  - Managed care organizations and insurance companies
  - Unions
  - Government agencies
- o National Prescription Drug Plan under Medicare Part D
- o YTD September 2006 Statistics
  - Revenues \$27.5 Billion
  - Adjusted prescriptions 477 million
    - o 28% of Rxs dispensed by mail
    - o 55% of Rxs dispensed were generics

Caremark Profile

- o Caremark retail network includes 60,000 pharmacies nationwide
  - o Caremark operations
    - 7 mail pharmacies
    - 21 specialty pharmacies
    - 9 customer call centers
    - 12 client-site pharmacies
    - Industry's only FDA regulated repackaging plant
  - o 13,000 employees, including 1,300 pharmacists
  - \* Headquarters
  - + Medical Call Center
  - => Operating Center
  - \* Mail Service Pharmacy
  - \* Call Center
  - \* CareCenter Pharmacy
  - \* Specialty Pharmacy
  - \* IT Center
  - \* Regional Order Creation Center
  - \* Sales Office
  - \* Clinical Office
  - \* Pharmaceutical Repackaging Facility
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CVS Profile

- o Nation's largest retail pharmacy with more than 6,200 retail and specialty stores in 43 states
- o Services
  - CVS/pharmacy stores
  - CVS.com
  - MinuteClinic
  - PharmaCare (PBM, Mail, Specialty services)
- o 170,000 employees, including 20,000 pharmacists
- o 2006 revenue \$43.8 billion
- o 2006 prescriptions filled 495 million

CVS Profile

16% Share of U.S. Retail Scripts

#1 or #2 market share in 75% of the top 100 markets in which CVS operates

States with CVS/pharmacy Retail Stores

PharmaCare Specialty Pharmacy Stores

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CVS/Caremark Merger Overview

Name	CVS/Caremark Corporation
Symbol	CVS (NYSE)
Management Team	Chairman: Mac Crawford
President & CEO:	Tom Ryan
CFO:	Dave Rickard
President PBM:	Howard McLure
Board Composition	50/50 Split
Headquarters	Corporate: Woonsocket, RI PBM: Nashville, TN
Expected Closing	February 2007



CVS/Caremark Governance Structure Upon Close

- o Provides for annual election of all directors
- o Will have majority voting provision
- o Separate CEO and Chairman
- o Has stock ownership guidelines for D&O
- o Allows stockholders to ratify auditors

Caremark Board Considered Consumer Strategy Superior to PBM Combination (Aug 2006)

Strategic Significance

High

Low

Consumer Strategy National Retail Chain

Financial Significance

PBM

Low

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CVS/Caremark Merger Capitalizes on Evolving Industry Trends

Market Trends	CVS/Caremark Merger Benefit
Growing Consumerism information to improve health outcomes	Gives consumers timely, actionable, personalized
Cost Shift to Consumer	More transparency at point of sale - consumer able to make totally informed decisions
Focus on Wellness with participant yields favorable outcomes	Consultation by pharmacist or clinician
Medicare Part D Medication Therapy Management	In store enrollment and consultation;
Robust Generic Pipeline point of sale	May drive higher substitution rates at
Increasing Use of Biotech Products and disease management enrollment	Retail locations; In store consultation
=> Payors demanding more effective cost management, more participant participation, outcomes	
=> Consumers need access to information and choice	

CVS/Caremark Merger Enhances Shareholder Value

- |                         |   |
|-------------------------|---|
| Financial Benefits      | <ul style="list-style-type: none"><li>o 1.67 shares CVS/Caremark stock for each share of CMX</li><li>o \$2.00 special dividend to CMX shareholders of record</li><li>o Accretive repurchase of 150 million CVS/Caremark shares</li><li>o \$500 M in cost synergies, integration planning underway</li><li>o \$800 M to \$1 B in revenue synergies</li></ul> |
| Certainty of Completion | <ul style="list-style-type: none"><li>o Received necessary regulatory approvals from FTC and SEC</li><li>o Shareholder votes are last step (CMX Feb 20, CVS Feb 23)</li></ul>   |
| Strategic Benefits      | <ul style="list-style-type: none"><li>o Uniquely positioned to capitalize on trends and better serve customers</li><li>o Will enable creation of differentiated services</li><li>o More effective cost management for payors</li><li>o More access to information and choice for consumers</li></ul>  |

CVS/Caremark Merger Enhances Shareholder Value

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|-----------------------|--|
| Business Opportunity  | <ul style="list-style-type: none"><li>o Clients overwhelmingly positive</li><li>o Differentiated services will be compelling to payors</li><li>o Unmatched in-store services will increase consumer loyalty</li><li>o February close creates opportunity for 2007 selling season</li></ul> |
| Financial Flexibility | <ul style="list-style-type: none"><li>o Substantial FCF will enable flexibility for investments in existing business, strategic opportunities, dividends and share repurchases</li><li>o Solid investment grade credit rating</li></ul>  |
| Management Teams      | <ul style="list-style-type: none"><li>o Proven track-records with large scale acquisition integration</li><li>o History of exceeding stated synergies</li><li>o Visionary leadership</li></ul>   |

Near-Term Revenue Opportunities Unique to CVS/Caremark Combination

- o Incremental opportunities of \$800 M to \$1 B in 2008
  - Half from PBM, half from retail
- o Revenue estimates based on market research and PharmaCare-CVS experience
- o Revenue synergy examples:
  - Improved access/services for PBM specialty participants
  - Retail to mail conversion (including in-store pick up)
  - Front store offers for PBM participants (also on-line and mail)
  - Improved generic substitution & benefit design compliance
  - Integrated offering leading to higher PBM sales
  - Ability to market PBM consumer products in CVS stores
  - Disease management programs with face-to-face interaction

Caremark Board of Directors Concluded that Express Proposal Not in Best  
Interests of  
Shareholders  
Strategic Rationale  
Does not create competitive advantages  
Defensive reaction out of concern about enhanced competition Constructed to  
disrupt CVS merger  
Financial Risk  
Review of recent filings show offer is highly conditional  
Lost business & negative synergies could result in loss of value  
Synergy calculation questionable  
Antitrust Risk  
Delay would damage 2007 and perhaps 2008 selling season Enforcement agencies  
could impose adverse conditions  
Business Risk  
Clients overwhelmingly negative Risk of substantial client attrition  
Financial Position  
Limited capital for investment in existing business, strategic  
opportunities, dividends and share repurchases  
ESRX recently placed on negative watch by rating agencies  
Management Team  
No experience with large-scale merger integration Recent integration  
track-record questionable  
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Express Scripts Proposal Includes Material Conditions

A due diligence review Satisfaction of financing conditions Anti-trust and other regulatory approvals

Approval by their own shareholders - a process they have not even begun and, which by their own admission, would prevent their illusory February 13 deadline from even occurring No decline in the Dow Jones Industrial Average, the Standard & Poor's Index or the NASDAQ --100 Index by an amount in excess of 15% No material change in the market price of Caremark Common Stock Satisfaction of certain Delaware anti-takeover requirements that cannot readily be satisfied absent Caremark's prior Board approval

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Value of Transactions for Caremark Shareholders

	Value of	Value of
1/31/2007		
Calculated as of	Merger CVS	ESRX Proposal
Counterparty Stock Price	\$ 33.65	\$ 69.52 *
Exchange Ratio	1.67	0.426
Implied Value of Stock Consideration	\$ 56.20	\$ 29.62 *
Value of Dividend/Cash Consideration	\$ 2.00	\$ 29.25 *
Implied Value of Transaction	\$ 58.20	\$ 58.87
PV of Dividend/Cash Consideration	\$ 1.98	\$ 27.39
Present Value of Offer	\$ 58.18	\$ 57.00 *
Annual Discount Rate	10%	10%
Closing Date Assumption	2/28/2007	9/28/2007
Estimated Days to Close	28	240

\* VALUES DO NOT REFLECT CONDITIONALITY AND BUSINESS RISK FACTORS  
ASSOCIATED WITH ESRX PROPOSAL

Dispelling Myths

MYTH

Incentive Alignment " CVS "makes money when patients and clients spend money"  
Financial Flexibility " ESRX would have "significant financial flexibility"  
Contract " "In past 3 years, twice as many Wins/Losses CMX clients have moved to ESRX than vice versa"  
Channel Choice " CVS/CMX would be "biased to its own stores"  
Regulatory " ESRX confident "regulatory Approval requirements will be met in timely manner"  
Options Backdating selling CMX to avoid  
" "BOD ramifications of stock option backdating"  
Vertical Mergers " "Vertical PBM transactions have Destroy Value failed to create stockholder value"

REALITY

Well understood that retail and PBM incentives are aligned with patients and payors Integrated offering delivers more value to clients Financing contemplates JUNK CREDIT  
Leverage: ~5x Debt-to-2006 EBITDA  
Limited, if any, ability for share repos / dividends Terms of commitment letters  
CMX won \$1B net new revenues from ESRX in past 3 years  
CMX will offer network of 60,000 pharmacies Value and choice will drive business PharmaCare offers network of 60,000 pharmacies 3 into 2 mergers face significant antitrust obstacles/delays Heavy large employer concentration may trigger concern  
Pre and post merger indemnity for D&O does not change Merger agreement contains standard indemnification language that is consistent with Delaware law Not appropriate comparisons -natural conflicts with former Pharma owners, Rite Aid had serious accounting issues CVS/CMX addresses evolving marketplace needs  
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CVS/Caremark Merger is in the Best Interests of Shareholders  
Immediate and concrete financial benefits February 2007 close Significant  
strategic benefits Clients supportive Proven management teams  
Highly conditional offer Financial benefits suspect Uncertain timing Lacks  
strategic rationale Client attrition CMX would be 20x the largest integration  
ESRX has ever done  
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***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 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

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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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