

Different retailers' varying business models may affect the prices they charge. This is especially evident when comparing prescription prices between chain drug stores such as CVS/pharmacy, for which pharmacy is the core business, and retailers such as mass merchants and wholesalers, which may use its pharmacy business as a loss leader.

Also, price surveys fail to take into account programs we offer customers that provide them with value for having their prescriptions filled at CVS/pharmacy. For example, for just \$15 a year, 90-day prescriptions for more than 400 generic drugs are available at CVS for only \$11.99 under our Health Savings Pass program.

More than 95% of our pharmacy business is covered by third party prescription insurance in which customers pay a co-pay, not the full price, for their prescriptions.

Other factors for customers to consider when choosing a pharmacy include location, convenience, store hours and the relationship they have with their pharmacist. It is also important for medication compliance and adherence purposes for patients to have their prescriptions filled at the same pharmacy. The pharmacy also needs to know the all of the prescriptions a patient is taking in order to prevent potential harmful drug interactions.

CVS/pharmacy provides customers with very competitive pricing, better access, more convenient neighborhood locations with drive-thru pharmacy window service, more 24-hour and extended-hour stores, and online prescription ordering for in-store pick-up, a combination that others can't match.