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CVS Caremark and Walgreens Announce New PBM Network Pharmacy Agreement

WOONSOCKET, R.I., and DEERFIELD, Ill., June 18, 2010 – CVS Caremark Corporation (NYSE: CVS) and Walgreens (NYSE: WAG) (NASDAQ: WAG) today announced that the companies have reached an agreement on terms under which Walgreens will continue participating in the CVS Caremark pharmacy benefit management (PBM) national retail network for existing, new or renewal plans. The companies are not disclosing the financial terms of the new contract.

“We are very pleased with the outcome of this mutual, multi-year agreement that meets our business objectives,” said Walgreens Executive Vice President of Pharmacy, Kermit Crawford. “The agreement makes good business sense, provides the framework we need to operate our business going forward, and assures choice and convenience for the many consumers who look to us for quality pharmacy care. The agreement is good for our patients, pharmacists and shareholders, and will allow us to continue to meet the needs of our customers across the country through the CVS Caremark network.”

Per Lofberg, President of CVS Caremark’s pharmacy benefit management business, said, “We are pleased to have reached a mutually agreeable solution together with Walgreens that is consistent with our top priority to provide convenient access to affordable high-quality pharmacy health care. This new contract enables Walgreens to continue participating in CVS Caremark’s PBM national pharmacy network, provides enhanced network stability, eliminates any current or long-term disruption for our clients or their members and allows us to continue to fulfill our obligation to deliver cost-effective pharmacy benefits for our clients.”

With the continuing participation of Walgreens, the CVS Caremark national pharmacy network will have more than 64,000 participating pharmacies, including neighborhood independent pharmacies, chain pharmacies, and those located in supermarkets and other major retailers.

About CVS Caremark:

CVS Caremark is the largest pharmacy health care provider in the United States. Through our integrated offerings across the entire spectrum of pharmacy care, we are uniquely positioned to provide greater access to engage plan members in behaviors that improve their health, and to lower overall health care costs for health plans, plan sponsors and their members. CVS Caremark is a market leader in mail order pharmacy, retail pharmacy, specialty pharmacy, and retail clinics, and is a leading provider of Medicare Part D Prescription Drug Plans. As one of the country's largest pharmacy benefits managers (PBMs), we provide access to a network of more than 64,000 pharmacies, including over 7,000 CVS/pharmacy® stores that provide unparalleled service and capabilities. Our clinical expertise includes one of the industry's most comprehensive disease management programs. General information about CVS Caremark is available through the Company's website at <http://info.cvscaremark.com>.

CVS Caremark Forward-looking statements:

This press release contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. For these statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company strongly recommends that you become familiar with the specific risks and uncertainties outlined under the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2009 and under the caption "Cautionary Statement Concerning Forward Looking Statements" in our Quarterly Report on Form 10Q for the quarter ended March 31, 2010.

About Walgreens:

Walgreens (www.walgreens.com) is the nation's largest drugstore chain with fiscal 2009 sales of \$63 billion. The company operates 7,522 drugstores in all 50 states, the District of Columbia and Puerto Rico. Walgreens provides the most convenient access to consumer goods and services and cost-effective pharmacy, health and wellness services in America through its retail drugstores and Walgreens Health and Wellness division. The division includes Take Care Health Systems, the largest and most comprehensive manager of worksite health and wellness centers and in-store convenient care clinics, with more than 700 locations throughout the country.

Walgreens Forward-looking statements:

This news release may contain forward-looking statements that involve risks and uncertainties. The following factors could cause results to differ materially from management expectations as projected in such forward-looking statements: seasonal variations, competition, risks of new business areas, the availability and cost of real estate and construction, and changes in federal or state legislation or regulations. Investors are referred to the "Cautionary Note Regarding Forward-Looking Statements" in the Company's most recent Form 10-K, which Note is incorporated into this news release by reference.

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