

CAREMARK RX INC
Form 425
January 31, 2007

Filed by Caremark Rx, Inc.

Pursuant to Rule 425 under the
Securities Act of 1933 and Deemed

Filed pursuant to Rule 14a-12 of
the Securities Exchange Act of 1934

Subject Company: Caremark Rx, Inc.

Commission File No.: 001-14200

**CVS / CAREMARK MERGER A WINNING
COMBINATION to DELIVER IMMEDIATE
and LONG TERM SHAREHOLDER VALUE**

Caremark's Board and Management Continue to Put Shareholders First:

Exceptional track record

Generated total returns of more than 1,300% over last 8 years.

Thorough and thoughtful deliberation

Conducted lengthy and thorough process, with numerous Board meetings, to consider CVS merger and determined it was the best strategic option for enhancing shareholder value.

Careful and comprehensive evaluation of hostile Express Scripts proposal

Offer rejected only after numerous additional meetings and thorough review by the Board in consultation with financial advisors and outside legal counsel.

Objective, uncompromised decision-making focused on shareholders, not on management or Board interests

CVS merger provides the same protections to Board and management as exist now and as would be customary in other transactions, including one with Express Scripts.

CVS / CAREMARK MERGER ENHANCES SHAREHOLDER VALUE

Delivers immediate and concrete value

High certainty of completion, with closing targeted for February 2007

Provides compelling strategic and financial benefits

Supported by customers

Led by an established team from both companies with a strong track record of creating value

Protect Your Investment
Vote FOR the CVS / Caremark Merger
on the White Proxy Card Today

If you have questions about the proposed merger, or need assistance in voting your shares,

please call the firm assisting us in the solicitation of proxies:

INNISFREE M&A INCORPORATED

Toll-Free at 877-750-9498

(Banks and Brokers may call collect at 212-750-5833)

Caremark and CVS have filed a joint proxy statement/prospectus and other documents with the SEC in connection with the proposed merger, which investors and stockholders should read because they contain important information. Investors and stockholders are currently able to 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. In addition, 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. Information is also available at www.cvscaremarkmerger.com.

Cautionary Statement Regarding Forward-Looking Statements

This document contains certain forward-looking statements about Caremark and CVS. 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 in each case as they relate to Caremark, CVS or the combined company or the transaction, are intended to identify those assertions as forward-looking statements. Such statements include, but are not limited to, statements about the benefits of the merger, information about the combined company, including anticipated accretion, return on equity, cost synergies, incremental revenues, new products and offerings, cash flows, combined operating and financial data, including future financial and operating results, the combined company's objectives, plans and expectations, the likelihood of satisfaction of certain closing conditions and whether and when the merger will be consummated. These statements are based upon the current beliefs and expectations of management of Caremark and CVS and are subject to a number of factors that could cause actual outcomes and results to be materially different from those projected or anticipated. These forward-looking statements are subject to numerous risks and uncertainties. The following factors, among other things, could cause actual results to differ from the forward-looking statements in this document: (1) the companies may be unable to obtain stockholder or regulatory approvals in a timely manner, if at all; (2) the businesses of Caremark and CVS may not be integrated successfully or as quickly as expected; (3) cost savings and any other synergies or cash flows from the merger may not be fully realized or may take longer to realize than expected; (4) the transaction may involve unexpected costs; (5) the businesses and results of operations of Caremark and CVS may suffer as a result of uncertainty surrounding the transaction; and (6) the industry may be subject to future regulatory or legislative action. Other unknown or unpredictable factors also could have material adverse effects on future results, performance or achievements of the two companies. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this document may not occur. You are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date stated, or if no date is stated, as of the date of this press release. Risk factors affecting the businesses of each of Caremark and CVS are set forth in, and may be accessed through, each company's filings with the SEC. These and other factors relating to the merger are available in the joint proxy statement/prospectus filed with the SEC.

Important Information for Investors and Stockholders

CVS has filed with the SEC a registration statement on Form S-4 that was declared effective by the SEC on January 19, 2007. This registration statement includes a joint proxy statement/prospectus in connection with the proposed merger. Caremark and CVS 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 contain important information.

Investors and stockholders are currently able to 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. In addition, 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. 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>. Investors and stockholders may obtain a detailed list of names, affiliations and interests of participants in the solicitation of proxies of Caremark stockholders to approve the merger at the following address: Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022.