

## CVS Earnings Rise 3.7%

NEW YORK—CVS Caremark Corp.'s fourth-quarter profit rose 3.7% as pharmacy-services and retail revenue grew.

CVS raised its full-year earnings guidance by three cents a share, as the company expects to gain business as a result of Walgreen Co.'s impasse with pharmacy-benefits manager Express Scripts Inc.

CVS's fourth-quarter profit came to \$1.06 billion, or 81 cents a share, up from \$1.03 billion, or 75 cents, a year earlier. Adjusted earnings from continuing operations, which excludes such items as tax benefits, rose to 89 cents a share from 79 cents.

Revenue jumped 15% to \$28.32 billion.

In November, CVS predicted earnings of 87 cents to 91 cents a share and total sales growth of 13% to 15%.

Gross margin narrowed to 19.6% from 22.2%.

Revenue in the company's pharmacy-services segment jumped 32%, boosted by a contract with Aetna Inc. and an acquisition of a Medicare prescription-drug business last year. On the retail side of the pharmacy business, sales were up 4% as same-store sales climbed 2.5%.

CVS estimated first-quarter adjusted earnings of 61 cents to 63 cents a share, compared with analysts' forecasts of 61 cents, according to Thomson Reuters.

For the full year, CVS now forecasts adjusted per-share earnings from continuing operations of \$3.18 to \$3.28, up from the December view of \$3.15 to \$3.25.

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