

CVS CAREMARK CORP
Form 8-K
August 30, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 24, 2011

CVS CAREMARK CORPORATION

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

001-01011
(Commission
File Number)

05-0494040
(IRS Employer
Identification No.)

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One CVS Drive, Woonsocket, Rhode Island 02895

(Address of principal executive offices)

Registrant's telephone number, including area code: (401) 765-1500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

As previously disclosed, on August 23, 2011, the Board of Directors of CVS Caremark Corporation (the Corporation) approved a share repurchase program (the 2011 Repurchase Program) for up to \$4.0 billion of its outstanding common stock. The authorization under the 2011 Repurchase Program, which took effect immediately, permits the Corporation to effect the repurchases from time to time through a combination of open market repurchases, privately negotiated transactions accelerated share repurchases and/or other derivative transactions. In addition, the Corporation intends to complete its \$2.0 billion share repurchase program, authorized in June 2010, later this year.

Pursuant to the authorization under the 2011 Repurchase Program, on August 24, 2011, the Corporation entered into an accelerated share repurchase transaction with Barclays Bank PLC (the seller). Under the terms of the transaction, the Corporation purchases outstanding shares of common stock from the seller for \$1.0 billion. The seller makes initial deliveries of shares to the Corporation shortly after execution of the transaction, and may deliver additional shares to the Corporation at or prior to maturity of the transaction. The total number of shares to be repurchased will be based generally on the average daily volume weighted average price of the stock during the term of the transaction, subject to a minimum and maximum number of shares. Under certain circumstances, the Corporation may be required to return to the seller a portion of the initial shares received or make an additional cash payment to the seller. The transaction is scheduled to extend for approximately four months, but it may conclude earlier at the seller's option, and may be terminated early upon the occurrence of certain events. The agreement for the accelerated share repurchase transaction is attached as Exhibit 10.1 to this Current Report on Form 8-K.

With respect to the remaining \$3.0 billion of the 2011 Repurchase Program, there can be no assurance as to the amount, timing or prices of repurchases. The specific timing and amount of repurchases will vary based on market conditions and other factors. The 2011 Repurchase Program may be modified, extended or terminated by the Board of Directors at any time.

From time to time, Barclays Bank PLC and/or its affiliates have directly and indirectly engaged, and may engage in the future, in investment and/or commercial banking transactions with the Corporation for which they have received, or may receive, customary compensation, fees and expense reimbursement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

| No. | Description |
|------------|--|
| 10.1 | Confirmation between Barclays Bank PLC and CVS Caremark Corporation dated August 24, 2011. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CVS CAREMARK CORPORATION

Date: August 30, 2011

By: /s/ David M. Denton

Name: David M. Denton

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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