

## Walgreens Boots Alliance and Rite Aid Enter into Amendment and Extension to Merger Agreement

30 January 2017

DEERFIELD, Ill. & CAMP HILL, Pa. (BUSINESS WIRE (<http://www.businesswire.com>)), January 30, 2017 - Walgreens Boots Alliance, Inc. (Nasdaq: WBA) and Rite Aid Corporation (NYSE: RAD) today announced that they have entered into an amendment and extension of their previously announced definitive merger agreement under which Walgreens Boots Alliance will acquire all outstanding shares of Rite Aid, a U.S. retail pharmacy chain.

Under the terms of the amendment, the parties have agreed to reduce the price for each share of Rite Aid common stock to be paid by Walgreens Boots Alliance. The revised price will be a maximum of \$7.00 per share and a minimum of \$6.50 per share. In addition, Walgreens Boots Alliance will be required to divest up to 1,200 Rite Aid stores and certain additional related assets if required to obtain regulatory approval. The exact price per share will be determined based on the number of required store divestitures, with the price set at \$7.00 per share if 1,000 stores or fewer are required for divestiture and at \$6.50 per share if 1,200 stores are required for divestiture. If the required divestitures fall between 1,000 and 1,200 stores, then there will be a pro-rata adjustment of the price per share. Walgreens Boots Alliance agreement to divest up to 1,200 Rite Aid stores represents an increase of up to 200 stores over the 1,000 stores that Walgreens Boots Alliance had agreed to divest under the terms of the original agreement.

Additionally, Walgreens Boots Alliance and Rite Aid agreed to extend the end date under the previously announced agreement from 27 January 2017 to 31 July 2017 in order to allow the parties additional time to obtain regulatory approval.

The transaction is subject to approval by the holders of Rite Aid's common stock, the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary closing conditions.

### Notes to Editors:

#### About Walgreens Boots Alliance

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise.

The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the USA and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25\* countries and employ more than 400,000\* people. The company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has over 13,200\* stores in 11\* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 390\* distribution centers delivering to more than 230,000\*\* pharmacies, doctors, health centers and hospitals each year in more than 20\* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products.

The company's portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands such as No7, Botanics, Liz Earle and Soap & Glory.

In October 2016 Walgreens Boots Alliance received the United Nations Foundation Global Leadership Award for its commitment to the UN's Sustainable Development Goals.

More company information is available at [www.walgreensbootsalliance.com](http://www.walgreensbootsalliance.com) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.walgreensbootsalliance.com&esheet=51501342&newsitemid=20170130005563&lan=en-US&anchor=www.walgreensbootsalliance.com&index=1&md5=f3094d621b1334cbf6284910ab3f71>).

\* As of 31 August 2016, using publicly available information for AmerisourceBergen.

\*\* For 12 months ending 31 August 2016, using publicly available information for AmerisourceBergen.

(WBA-GEN)

## About Rite Aid

Rite Aid Corporation (NYSE: RAD) is one of the nation's leading drugstore chains with nearly 4,600 stores in 31 states and the District of Columbia and fiscal 2016 annual revenues of \$30.7 billion. Information about Rite Aid, including corporate background and press releases, is available through the company's website at [www.riteaid.com](http://www.riteaid.com) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.riteaid.com&esheet=51501342&newsitemid=20170130005563&lan=en-US&anchor=www.riteaid.com&index=2&md5=9456f5133f48912b5c0dfa1f7c3b58c1>) .

## Cautionary Note Regarding Forward-Looking Statements

*All statements in this release that are not historical statements, which include, without limitation, those regarding the pending merger agreement between Walgreens Boots Alliance, Inc. and Rite Aid Corporation and the transactions contemplated thereby and their possible timing and effects, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "expect," "pending," "potential," "likely," "preliminary," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "continue," "synergy," "on track," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," and variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, which could cause actual results to vary materially from those indicated or anticipated. These include, but are not limited to, the outcome of legal and regulatory matters, including with respect to the outcome of discussions with the Federal Trade Commission and otherwise in connection with the pending acquisition of Rite Aid by Walgreens Boots Alliance; the number of stores divested in connection with such pending acquisition and the terms, timing and consummation of such transactions; the risk of unexpected costs, liabilities or delays, changes in management's assumptions, risks associated with acquisitions, including risks relating to the failure to obtain necessary Rite Aid stockholder approvals or otherwise relating to the ability to satisfy the closing conditions and consummate the pending acquisition of Rite Aid by Walgreens Boots Alliance and related matters on a timely basis or at all; the risks associated with the integration of complex businesses; and the other risks and uncertainties described in the reports that Walgreens Boots Alliance and Rite Aid have filed with the Securities and Exchange Commission ("SEC"). A further list and description of risks and uncertainties can be found in Item 1A (Risk Factors) in Walgreens Boots Alliance's Annual Report on Form 10-K for the fiscal year ending 31 August 2016 as well as Rite Aid's Annual Report on Form 10-K for the fiscal year ending 27 February 2016 and its subsequent reports on Form 10-Q. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Walgreens Boots Alliance and Rite Aid expressly disclaim any current intention to update publicly any forward-looking statement after the distribution of this release, whether as a result of new information, future events, changes in assumptions or otherwise.*

## Additional Information and Where to Find It

In connection with the proposed transaction, Rite Aid will file with the SEC and mail or otherwise provide to its stockholders a proxy statement regarding the proposed transaction. BEFORE MAKING ANY VOTING DECISION, RITE AID'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE THEREIN BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION. Investors and security holders may obtain a free copy of the proxy statement and other documents that Rite Aid files with the SEC (when available) from the SEC's website at [www.sec.gov](http://www.sec.gov) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.sec.gov&esheet=51501342&newsitemid=20170130005563&lan=en-US&anchor=www.sec.gov&index=3&md5=f904445dbaded9da052d8e943f6a7d3d>) and Rite Aid's website at [www.riteaid.com](http://www.riteaid.com) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.riteaid.com&esheet=51501342&newsitemid=20170130005563&lan=en-US&anchor=www.riteaid.com&index=4&md5=b62fe5632379a893e6d00dfadabe3fb2>) .

## Participants in Solicitation

Rite Aid and its directors, executive officers and employees may be deemed, under SEC rules, to be participants in the solicitation of proxies from Rite Aid's stockholders with respect to the proposed acquisition. Information regarding the interests of such individuals in the proposed acquisition of Rite Aid by Walgreens Boots Alliance will

be included in the proxy statement relating to such acquisition when it is filed with the SEC. You may obtain information about Rite Aid's executive officers and directors in Rite Aid's definitive proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on May 13, 2016. These documents may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.sec.gov&esheet=51501342&newsitemid=20170130005563&lan=en-US&anchor=www.sec.gov&index=5&md5=f451dde65dc429af3eaf26825fb35a1c>) and Rite Aid's website at [www.riteaid.com](http://www.riteaid.com) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.riteaid.com&esheet=51501342&newsitemid=20170130005563&lan=en-US&anchor=www.riteaid.com&index=6&md5=23732659f53688412d5c9f5ca7574b56>) .

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