

Walgreens Boots Alliance Investor Roadshow materials November 2015



Walgreens Boots Alliance

Safe Harbor and Non-GAAP

- Certain statements and projections of future results made in this presentation constitute forward-looking statements that are based on our current market, competitive and regulatory expectations and are subject to risks and uncertainties that could cause actual results to vary materially. Except to the extent required by the law, we undertake no obligation to update publicly any forward-looking statement after this presentation, whether as a result of new information, future events, changes in assumptions or otherwise.
- Please see our fiscal 2015 Form 10-K and subsequent filings, for a discussion of risk factors as they relate to forward-looking statements.
- This presentation includes certain non-GAAP financial measures, and we refer you to the Appendix to the presentation materials available on our investor relations website for reconciliations to the most directly comparable GAAP financial measures and related information.

Walgreens Boots Alliance

Agreement to acquire Rite Aid



Walgreens Boots Alliance

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Agreement to acquire Rite Aid[†]

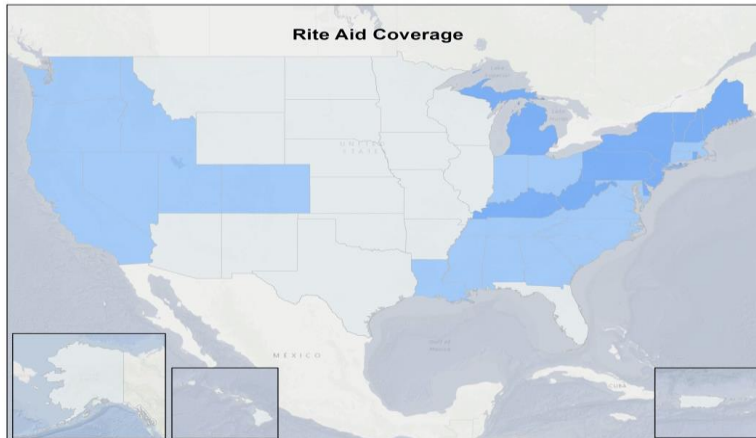
Transaction rationale

- **Complements Walgreens footprint, filling gaps in the Northeast and Southern California so WBA will cover the entire US**
- **Economies of scale create efficiencies and cost savings**
- **Provides opportunity to develop the Rite Aid retail product offering**
 - Shift to improve category mix
 - Expand distribution of exclusive global beauty brands including No.7, Soap & Glory, Botanics and Liz Earle
 - Drive own brand penetration
- **Positions WBA to better serve customers as U.S. healthcare market continues to evolve**
- **Attractive financial return[†]**



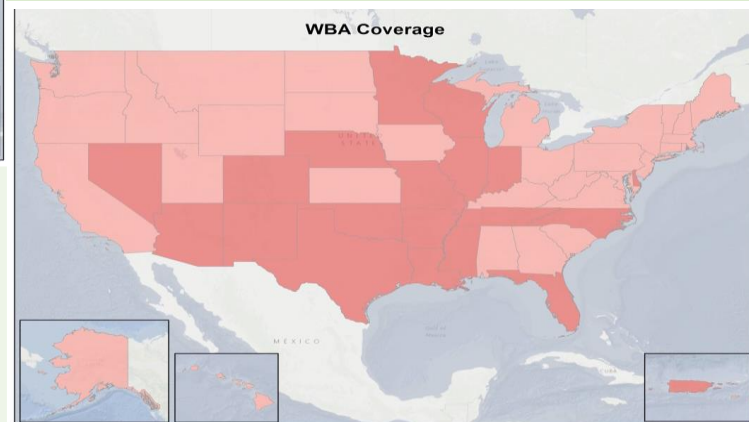
Agreement to acquire Rite Aid[†]

Transaction rationale



- **Expands store footprint and fills coverage gaps**
 - Expanding distribution of exclusive global beauty brands including No7, Soap & Glory, Botanics and Liz Earle

- **Improves WBA retail network for all stakeholders**
 - Notably in California and the Northeast



Agreement to acquire Rite Aid[†]



Transaction overview

- **\$9.00 per share in cash, total enterprise value of \$17.2 billion**
- **Subject to approval by Rite Aid shareholders, regulatory clearances and other customary closing conditions**
 - Contract provides for divestments up to 1,000 stores if required by regulators
 - WBA believes the most likely outcome is divestments of less than half this number
- **Expected timing of close: second half of calendar 2016**
- **Expected to be accretive during first full year post deal closing (excluding integration and merger related items and costs)**
- **Synergies: in excess of \$1 billion based on due diligence to date**
 - Primarily from procurement, cost savings and operational synergies
 - Expected to be fully realized within 3-4 years of closing
- **Suspension of activity (other than anti-dilutive activity) under \$3.0 billion share buyback program**



Walgreens Boots Alliance

Full Year 2015 / 4th Quarter 2015 Earnings



Walgreens Boots Alliance

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Walgreens Boots Alliance consolidated results – FY15

\$ in millions (except diluted and adjusted diluted EPS)

GAAP	FY15	FY14
Net Sales	\$103,444	\$76,392
Operating Income	\$4,668	\$4,194
Interest Expense, net	\$605	\$156
Tax Rate	19.9%	42.9%
Net Earnings ¹	\$4,220	\$1,932
Diluted EPS ¹	\$4.00	\$2.00
Non-GAAP ³	FY15 ²	FY14 ²
Adjusted Operating Income	\$6,157	\$4,866
Adjusted Interest Expense, net	\$464	\$156
Adjusted Tax Rate	27.8%	30.6%
Adjusted Net Earnings ¹	\$4,085	\$3,170
Adjusted Diluted EPS ¹	\$3.88	\$3.28
Shares Outstanding, diluted	1,054	965

1. Net Earnings and Earnings per share figures are attributable to Walgreens Boots Alliance, Inc.

2. All periods presented adjusted for: acquisition-related amortization, LIFO provision, Alliance Boots equity method non-cash tax, acquisition-related costs, store closures and other optimization costs and the impact of fair value adjustments and amortization related to the AmerisourceBergen warrants.

FY 2015 adjusted for: cost transformation, fair market value on currency hedges, an asset impairment, early debt extinguishment, prefunded interest expense, loss on sale of Walgreens Infusion Services, gain on Walgreens 45% previously held equity interest in Alliance Boots, net investment hedging gains and release of capital loss valuation allowance.

FY 2014 adjusted for: Alliance Boots call option loss and sale of Employer Solutions Group.

3. Non-GAAP financial measures – see attached Appendix.

Walgreens Boots Alliance consolidated results – 4Q15

\$ in millions (except diluted and adjusted diluted EPS)

GAAP	4Q15	4Q14
Net Sales	\$28,522	\$19,057
Operating Income	\$836	\$986
Interest Expense, net	\$255	\$43
Net Earnings ¹	\$26	(\$221)
Diluted EPS ¹	\$0.02	(\$0.23)

Non-GAAP ³	4Q15 ²	4Q14 ²
Adjusted Operating Income	\$1,450	\$1,173
Adjusted Interest Expense, net	\$156	\$43
Adjusted Net Earnings ¹	\$969	\$745
Adjusted Diluted EPS ¹	\$0.88	\$0.77
Shares Outstanding, diluted	1,103	968

1. Net Earnings and Earnings per share figures are attributable to Walgreens Boots Alliance, Inc.

2. All periods presented adjusted for: acquisition-related amortization, LIFO provision, acquisition-related costs, store closures and other optimization costs and the impact of fair value adjustments and amortization related to the AmerisourceBergen warrants.

FY 2015 adjusted for: cost transformation, early debt extinguishment, loss on sale of Walgreens Infusion Services, gain on Walgreens 45% previously held equity interest in Alliance Boots, net investment hedging gain, release of capital loss valuation allowance, prefunded interest expense and an adjusted tax rate true-up.

FY 2014 adjusted for: sale of Employer Solutions Group, Alliance Boots equity method non-cash tax and Alliance Boots call option loss and acquisition related costs. See attached Appendix.

3. Non-GAAP financial measures – see attached Appendix.

Cash flows and capital deployment

Cash Flow	FY15	4Q15
• GAAP Operating Cash Flow	\$5.7 billion	\$1.5 billion
• Free Cash Flow ¹	\$4.4 billion	\$1.1 billion

Key financing activities

- Purchased \$726 million worth of stock in FY15, \$395 million in 4Q²
- Redeemed \$1.75 billion aggregate principal amount of legacy Walgreen Co. debt in August 2015
- Continue to target long-term dividend payout ratio of 30% - 35%

Walgreens Boots Alliance

Outlook



Walgreens Boots Alliance

IR Roadshow - November 2015

Outlook:

Fiscal year 2016 guidance[†]

Metric	Guidance [†]
Adjusted EPS ¹	\$4.25 - \$4.55

Factors in suspension of activity under \$3.0 billion share buyback program

Expectation of growth from Normal Operating Activities beyond fiscal 2016[†]

Metric	Expectation [†]
Adjusted EPS from Normal Operating Activities ¹	Low Double Digit Growth

Normal Operating Activities exclude benefits from major M&A
(such as the expected impact of the pending Rite Aid acquisition)



Walgreens Boots Alliance

Well Positioned for the Future



Walgreens Boots Alliance

Appendix

The following information provides reconciliations of the supplemental non-GAAP financial measures, as defined under SEC rules, presented in this presentation to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). The company has provided these non-GAAP financial measures in the presentation, which are not calculated or presented in accordance with GAAP, as supplemental information in addition to the financial measures that are calculated and presented in accordance with GAAP. These supplemental non-GAAP financial measures are presented because management has evaluated the company's financial results both including and excluding the adjusted items and believes that the non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the Company's business from period to period and trends in the company's historical operating results. The company does not provide a non-GAAP reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. The supplemental non-GAAP financial measures presented should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the presentation.

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Net Earnings

(In millions)

	Three months ended		Twelve months ended	
	31 August 2015	31 August 2014	31 August 2015	31 August 2014
Net earnings (loss) attributable to Walgreens Boots Alliance, Inc. (GAAP)	\$ 26	\$ (221)	\$ 4,220	\$ 1,932
Alliance Boots call option loss	-	866	-	866
Acquisition-related amortization	84	58	367	238
Cost transformation	224	-	338	-
LIFO provision (benefit)	53	(12)	178	86
Transaction foreign currency hedging loss	-	-	166	-
Asset impairment	-	-	69	-
Alliance Boots equity method non-cash tax	-	41	71	180
Early debt extinguishment	62	-	62	-
Acquisition-related costs	-	13	54	54
Store closures and other optimization costs	-	95	35	179
Prefunded interest expense	-	-	26	-
Loss (gain) on sale of business	(1)	(6)	11	(6)
Gain on previously held equity interest	143	-	(671)	-
Decrease (increase) in fair market value of warrants	408	(89)	(567)	(359)
Release of capital loss valuation allowance	(5)	-	(220)	-
Net investment hedging gain ¹	(54)	-	(54)	-
Adjusted tax rate true-up	29	-	-	-
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure)	\$ 969	\$ 745	\$ 4,085	\$ 3,170

1. Net investment hedge gains/losses are reported as an adjustment prospectively beginning in 4Q15. Net investment hedge gains of \$10 million or \$0.01 cent per share in 2Q15 and \$7 million or \$0.01 cent per share in 3Q15 were included in our GAAP and adjusted net earnings. There were no reportable net investment hedge gains / losses in 1Q15.

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Earnings Per Share

(In millions, except per share amounts)

	Three months ended		Twelve months ended	
	31 August 2015	31 August 2014	31 August 2015	31 August 2014
Net earnings (loss) per common share attributable to Walgreens Boots Alliance, Inc. – diluted (GAAP)	\$ 0.02	\$ (0.23)	\$ 4.00	\$ 2.00
Alliance Boots call option loss	-	0.90	-	0.90
Acquisition-related amortization	0.08	0.06	0.35	0.25
Cost transformation	0.20	-	0.32	-
LIFO provision (benefit)	0.05	(0.01)	0.17	0.09
Transaction foreign currency hedging loss	-	-	0.16	-
Asset impairment	-	-	0.07	-
Alliance Boots equity method non-cash tax	-	0.04	0.07	0.18
Early debt extinguishment	0.06	-	0.06	-
Acquisition-related costs	-	0.01	0.05	0.06
Stores closure and other optimization costs	-	0.10	0.03	0.18
Prefunded interest expense	-	-	0.03	-
Loss (gain) on sale of business	-	(0.01)	0.01	(0.01)
Gain on previously held equity interest	0.13	-	(0.64)	-
Decrease (increase) in fair market value of warrants	0.37	(0.09)	(0.54)	(0.37)
Net investment hedging gain ¹	(0.05)	-	(0.05)	-
Release of capital loss valuation allowance	-	-	(0.21)	-
Adjusted tax rate true-up	0.02	-	-	-
Adjusted net earnings per common share attributable to Walgreens Boots Alliance, Inc. – diluted (Non-GAAP measure)	\$ 0.88	\$ 0.77	\$ 3.88	\$ 3.28

1. Net investment hedge gains/losses are reported as an adjustment prospectively beginning in 4Q15. Net investment hedge gains of \$10 million or \$0.01 cent per share in 2Q15 and \$7 million or \$0.01 cent per share in 3Q15 were included in our GAAP and adjusted net earnings. There were no reportable net investment hedge gains / losses in 1Q15.

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Interest Expense, net *(In millions)*

	Three months ended		Twelve months ended	
	31 August 2015	31 August 2014	31 August 2015	31 August 2014
Interest Expense, Net (GAAP)	\$ 255	\$ 43	\$ 605	\$ 156
Early debt extinguishment	(99)	-	(99)	-
Prefunded interest expenses	-	-	(42)	-
Adjusted Interest Expense, Net (Non-GAAP measure)	\$ 156	\$ 43	\$ 464	\$ 156

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Adjusted Effective Tax Rate (In millions)

	Three months ended, 31 August 2015			Three months ended, 31 August 2014		
	Earnings (Loss) Before Income Tax Provision	Income Tax Provision (Benefit)	Effective Tax Rate	Earnings Before Income Tax Provision	Income Tax Provision	Effective Tax Rate
	GAAP-measure	\$ (41)	\$ (64)	156.1%	\$ 172	\$ 359
Alliance Boots call option loss	-	-		866	-	
Acquisition-related amortization	113	29		90	32	
Cost transformation	382	158		-	-	
LIFO (benefit) provision	109	56		(18)	(6)	
Alliance Boots equity method non-cash tax	-	-		-	(41)	
Early debt extinguishment	99	37		-	-	
Acquisition-related costs	-	-		20	7	
Store closures and other optimization costs	5	5		146	51	
Loss (gain) on sale of business	5	6		(9)	(3)	
Gain on previously held equity interest	143	-		-	-	
Decrease (increase) in fair market value of warrants	534	126		(137)	(48)	
Net investment hedging gain	(55)	(1)		-	-	
Release of capital loss valuation allowance	-	5		-	-	
Adjusted tax rate true-up	-	(29)		-	-	
Non-GAAP measure	\$ 1,294	\$ 328	25.3%	\$ 1,130	\$ 351	31.1%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Adjusted Effective Tax Rate

(In millions)

	Twelve months ended, 31 August 2015			Twelve months ended, 31 August 2014		
	Earnings Before			Earnings Before		
	Income Tax	Income Tax	Effective Tax Rate	Income Tax	Income Tax	Effective Tax Rate
	Provision	Provision		Provision	Provision	
GAAP-measure	\$ 5,311	\$ 1,056	19.9%	\$ 3,557	\$ 1,526	42.9%
Alliance Boots call option loss	-	-		866	-	
Acquisition-related amortization	515	148		364	126	
Cost transformation	542	204		-	-	
LIFO (benefit) provision	285	107		132	46	
Transaction foreign currency hedging loss	166	-		-	-	
Asset impairment	110	41		-	-	
Alliance Boots equity method non-cash tax	-	(71)		-	(180)	
Early debt extinguishment	99	37		-	-	
Acquisition-related costs	87	33		82	28	
Stores closure and other optimization costs	56	21		271	92	
Prefunded interest expense	42	16		-	-	
Loss (gain) on sale of business	17	6		(9)	(3)	
Gain on previously held equity interest	(563)	108		-	-	
Decrease (increase) in fair market value of warrants	(902)	(335)		(553)	(194)	
Net investment hedging gain ¹	(55)	(1)		-	-	
Release of capital loss valuation allowance	-	220		-	-	
Non-GAAP measure	\$ 5,710	\$ 1,590	27.8%	\$ 4,710	\$ 1,441	30.6%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Gross Profit by Segment

(In millions)

	Three months ended, 31 August 2015				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Gross Profit (GAAP)	\$ 5,253	\$ 1,477	\$ 539	\$ (4)	\$ 7,265
LIFO provision	109	-	-	-	109
Adjusted gross profit (Non-GAAP measure)	\$ 5,362	\$ 1,477	\$ 539	\$ (4)	\$ 7,374
Total Sales	\$ 19,947	\$ 3,466	\$ 5,754	\$ (645)	\$ 28,522
Gross Margin (GAAP)	26.3%	42.6%	9.4%	NMF	25.5%
Adjusted gross margin (Non-GAAP measure)	26.9%	42.6%	9.4%	NMF	25.9%

	Three months ended, 31 August 2014				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Gross Profit (GAAP)	\$ 5,327	\$ -	\$ -	\$ -	\$ 5,327
Store closures and other optimization costs	7	-	-	-	7
LIFO benefit	(18)	-	-	-	(18)
Adjusted gross profit (Non-GAAP measure)	\$ 5,316	\$ -	\$ -	\$ -	\$ 5,316
Total Sales	\$ 19,057	\$ -	\$ -	\$ -	\$ 19,057
Gross Margin (GAAP)	28.0%	-	-	-	28.0%
Adjusted gross margin (Non-GAAP measure)	27.9%	-	-	-	27.9%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Gross Profit by Segment (In millions)

	Twelve months ended, 31 August 2015				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Gross Profit (GAAP)	\$ 21,822	\$ 3,623	\$ 1,486	\$ (7)	\$ 26,924
LIFO provision	285	-	-	-	285
Acquisition-related amortization	-	100	6	-	106
Adjusted gross profit (Non-GAAP measure)	\$ 22,107	\$ 3,723	\$ 1,492	\$ (7)	\$ 27,315
Total Sales	\$ 80,974	\$ 8,781	\$ 15,327	\$ (1,638)	\$ 103,444
Gross Margin (GAAP)	26.9%	41.3%	9.7%	NMF	26.0%
Adjusted gross margin (Non-GAAP measure)	27.3%	42.4%	9.7%	NMF	26.4%

	Twelve months ended, 31 August 2014				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Gross Profit (GAAP)	\$ 21,569	\$ -	\$ -	\$ -	\$ 21,569
LIFO provision	132	-	-	-	132
Store closures and other optimization costs	12	-	-	-	12
Adjusted gross profit (Non-GAAP measure)	\$ 21,713	\$ -	\$ -	\$ -	\$ 21,713
Total Sales	\$ 76,392	\$ -	\$ -	\$ -	\$ 76,392
Gross Margin (GAAP)	28.2%	-	-	-	28.2%
Adjusted gross margin (Non-GAAP measure)	28.4%	-	-	-	28.4%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Selling, General and Administrative Expenses by Segment

(In millions)

	Three months ended, 31 August 2015				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Selling, general and administrative expenses (GAAP)	\$ 4,742	\$ 1,281	\$ 406	\$ -	\$ 6,429
Cost transformation	372	10	-	-	382
Acquisition-related amortization	52	36	25	-	113
Store closures and other optimization costs	5	-	-	-	5
Loss on sale of business	5	-	-	-	5
Adjusted selling, general and administrative expenses (Non-GAAP measure)	\$ 4,308	\$ 1,235	\$ 381	\$ -	\$ 5,924
Total Sales	\$ 19,947	\$ 3,466	\$ 5,754	\$ (645)	\$ 28,522
SG&A percent to sales (GAAP)	23.8%	37.0%	7.1%	-	22.5%
Adjusted SG&A percent to sales (Non-GAAP measure)	21.6%	35.6%	6.6%	-	20.8%

	Three months ended, 31 August 2014				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Selling, general and administrative expenses (GAAP)	\$ 4,493	\$ -	\$ -	\$ -	\$ 4,493
Store closures and other optimization costs	139	-	-	-	139
Acquisition-related amortization	68	-	-	-	68
Acquisition-related costs	20	-	-	-	20
Gain on sale of business	(9)	-	-	-	(9)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	\$ 4,275	\$ -	\$ -	\$ -	\$ 4,275
Total Sales	\$ 19,057	\$ -	\$ -	\$ -	\$ 19,057
SG&A percent to sales (GAAP)	23.6%	-	-	-	23.6%
Adjusted SG&A percent to sales (Non-GAAP measure)	22.4%	-	-	-	22.4%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Selling, General and Administrative

Expenses by Segment

(In millions)

	Twelve months ended, 31 August 2015				
	Retail Pharmacy	Retail Pharmacy	Pharmaceutical	Eliminations and	Walgreens Boots
	USA	International	Wholesale	Other	Alliance, Inc.
Selling, general and administrative expenses (GAAP)	\$ 18,247	\$ 3,214	\$ 1,110	\$ -	\$ 22,571
Cost transformation	523	19	-	-	542
Acquisition-related amortization	230	88	61	-	379
Acquisition-related costs	80	-	7	-	87
Asset impairment	110	-	-	-	110
Store closures and other optimization costs	56	-	-	-	56
Loss on sale of business	17	-	-	-	17
Adjusted selling, general and administrative expenses (Non-GAAP measure)	\$ 17,231	\$ 3,107	\$ 1,042	\$ -	\$ 21,380
Total Sales	\$ 80,974	\$ 8,781	\$ 15,327	\$ (1,638)	\$ 103,444
SG&A percent to sales (GAAP)	22.5%	36.6%	7.2%	-	21.8%
Adjusted SG&A percent to sales (Non-GAAP measure)	21.3%	35.4%	6.8%	-	20.7%

Twelve months ended, 31 August 2014

	Retail Pharmacy	Retail Pharmacy	Pharmaceutical	Eliminations and	Walgreens Boots
	USA	International	Wholesale	Other	Alliance, Inc.
	Selling, general and administrative expenses (GAAP)	\$ 17,992	\$ -	\$ -	\$ -
Acquisition-related amortization	282	-	-	-	282
Store closures and other optimization costs	259	-	-	-	259
Acquisition-related costs	82	-	-	-	82
Gain on sale of business	(9)	-	-	-	(9)
Adjusted selling, general and administrative expenses (Non-GAAP measure)	\$ 17,378	\$ -	\$ -	\$ -	\$ 17,378
Total Sales	\$ 76,392	\$ -	\$ -	\$ -	\$ 76,392
SG&A percent to sales (GAAP)	23.6%	-	-	-	23.6%
Adjusted SG&A percent to sales (Non-GAAP measure)	22.7%	-	-	-	22.7%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Operating Income by Segment

(In millions)

	Three months ended, 31 August 2015				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Operating Income (GAAP)	\$ 511	\$ 196	\$ 133	\$ (4)	\$ 836
Cost transformation	372	10	-	-	382
Acquisition-related amortization	52	36	25	-	113
LIFO provision	109	-	-	-	109
Store closures and other optimization costs	5	-	-	-	5
Loss on sale of business	5	-	-	-	5
Adjusted Operating Income (Non-GAAP measure)	\$ 1,054	\$ 242	\$ 158	\$ (4)	\$ 1,450
Total Sales	\$ 19,947	\$ 3,466	\$ 5,754	\$ (645)	\$ 28,522
Operating Margin (GAAP)	2.6%	5.7%	2.3%	NMF	2.9%
Adjusted Operating Margin (Non-GAAP)	5.3%	7.0%	2.7%	NMF	5.1%

	Three months ended, 31 August 2014				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Operating Income (GAAP)	\$ 986	\$ -	\$ -	\$ -	\$ 986
Store closures and other optimization costs	146	-	-	-	146
Acquisition-related amortization	90	-	-	-	90
LIFO benefit	(18)	-	-	-	(18)
Acquisition-related costs	20	-	-	-	20
Increase in fair market value of warrants	(42)	-	-	-	(42)
Gain on sale of business	(9)	-	-	-	(9)
Adjusted Operating Income (Non-GAAP measure)	\$ 1,173	\$ -	\$ -	\$ -	\$ 1,173
Total Sales	\$ 19,057	\$ -	\$ -	\$ -	\$ 19,057
Operating Margin (GAAP)	5.2%	-	-	-	5.2%
Adjusted Operating Margin (Non-GAAP)	6.2%	-	-	-	6.2%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Reconciliation of Operating Income by Segment (In millions)

	Twelve months ended, 31 August 2015				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Operating Income (GAAP)	\$ 3,890	\$ 409	\$ 376	\$ (7)	\$ 4,668
Cost transformation	523	19	-	-	542
Acquisition-related amortization	260	188	67	-	515
LIFO provision	285	-	-	-	285
Acquisition-related costs	80	-	7	-	87
Asset impairment	110	-	-	-	110
Store closures and other optimization costs	56	-	-	-	56
Loss on sale of business	17	-	-	-	17
Increase in fair market value of warrants	(123)	-	-	-	(123)
Adjusted Operating Income (Non-GAAP measure)	\$ 5,098	\$ 616	\$ 450	\$ (7)	\$ 6,157
Total Sales	\$ 80,974	\$ 8,781	\$ 15,327	\$ (1,638)	\$ 103,444
Operating Margin (GAAP)	4.8%	4.7%	2.5%	NMF	4.5%
Adjusted Operating Margin (Non-GAAP)	6.3%	7.0%	2.9%	NMF	6.0%
	Twelve months ended, 31 August 2014				
	Retail Pharmacy USA	Retail Pharmacy International	Pharmaceutical Wholesale	Eliminations and Other	Walgreens Boots Alliance, Inc.
Operating Income (GAAP)	\$ 4,194	\$ -	\$ -	\$ -	\$ 4,194
Acquisition-related amortization	364	-	-	-	364
Store closures and other optimization costs	271	-	-	-	271
LIFO provision	132	-	-	-	132
Acquisition-related costs	82	-	-	-	82
Increase in fair market value of warrants	(168)	-	-	-	(168)
Gain on sale of business	(9)	-	-	-	(9)
Adjusted Operating Income (Non-GAAP measure)	\$ 4,866	\$ -	\$ -	\$ -	\$ 4,866
Total Sales	\$ 76,392	\$ -	\$ -	\$ -	\$ 76,392
Operating Margin (GAAP)	5.5%	-	-	-	5.5%
Adjusted Operating Margin (Non-GAAP)	6.4%	-	-	-	6.4%

Reconciliation of Non-GAAP financial measures

Walgreens Boots Alliance, Inc. and Subsidiaries Supplemental Information (unaudited)

Free Cash Flow <i>(In millions)</i>	Three months ended	Twelve months ended
	31 August 2015	31 August 2015
Net cash provided by operating activities (GAAP)	\$ 1,505	\$ 5,664
Less: Additions to property, plant and equipment	361	1,251
Free cash flow (Non-GAAP measure) ¹	\$ 1,144	\$ 4,413

Certain definitions and assumptions

Certain Assumptions: *Unless the context otherwise indicates or requires:*

- *This presentation assumes constant currency exchange rates after the date hereof based on current rates;*
- *All financial estimates and goals assume constant currency exchange rates after the date hereof based on current rates and no major mergers, acquisitions, divestitures or strategic transactions.*

Holding Company Reorganization. *On December 31, 2014, Walgreens Boots Alliance, Inc. became the successor of Walgreen Co. pursuant to a merger to effect a reorganization of Walgreen Co. into a holding company structure (the “Reorganization”), with Walgreens Boots Alliance, Inc. becoming the parent holding company. References in this presentation to the “Company,” “we,” “us” or “our” refer to Walgreens Boots Alliance, Inc. and its subsidiaries from and after the effective time of the Reorganization on December 31, 2014 and, prior to that time, to the predecessor registrant Walgreen Co. and its subsidiaries, and in each case do not include unconsolidated partially-owned entities, except as otherwise indicated or the context otherwise requires. Our fiscal year ends on August 31, and references herein to “fiscal 2015” refer to our fiscal year ended August 31, 2015.*

Historical Alliance Boots Financial Information. *On December 31, 2014, Alliance Boots became a consolidated subsidiary and ceased being accounted for under the equity method. Please refer to Exhibits 99.1 and 99.2, respectively, to our fiscal 2015 Form 10-K, when filed, for (1) Alliance Boots GmbH audited consolidated financial statements and accompanying notes (prepared in accordance with IFRS and audited in accordance with U.S. GAAS), including the statements of financial position at March 31, 2014 and 2013 of Alliance Boots and its subsidiaries (the Group) and the related Group income statements, Group statements of comprehensive income, Group statements of changes in equity and Group statements of cash flows for each of the years in the three-year period ended March 31, 2014 and (2) Alliance Boots GmbH unaudited interim condensed consolidated financial statements and accompanying notes (prepared in accordance with IFRS) including the Group statements of financial position at December 31, 2014 and 2013, and the related Group income statements, Group statements of comprehensive income, Group statements of changes in equity and Group statements of cash flows for each of the nine month periods then ended. All descriptions of the Company’s agreements relating to Alliance Boots and the arrangements and transactions contemplated thereby in this presentation are qualified in their entirety by reference to the full text of the agreements, copies of which have been filed with the SEC.*

AmerisourceBergen Information. *All descriptions in this presentation of the agreements relating to the strategic long-term relationship with AmerisourceBergen announced by the Company and Alliance Boots on March 18, 2013 and the arrangements and transactions contemplated thereby are qualified in their entirety by reference to the description and the full text of the agreements in the Company’s Form 8-K filing on March 20, 2013 and Schedule 13D filing on April 15, 2014, as amended on January 16, 2015. We adjust for fluctuations in the fair value of our warrants to acquire AmerisourceBergen common stock in determining adjusted net earnings (non-GAAP). The initial tranche of these warrants are exercisable during a six month period beginning on March 18, 2016. If that tranche were to be exercised in full, we would anticipate beginning to account for our investment in AmerisourceBergen common stock using the equity method of accounting.*

Cautionary note regarding forward-looking statements

Cautionary Note Regarding Forward-Looking Statements: All statements in these materials and the related presentation that are not historical including, without limitation, estimates of and goals for future financial and operating performance, the expected execution and effect of our business strategies, our cost-savings and growth initiatives and restructuring activities and the amounts and timing of their expected impact, and our pending agreement with Rite Aid and the transactions contemplated thereby and their possible 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," "likely," "outlook," "forecast," "preliminary," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "guidance," "target," "continue," "sustain," "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 that could cause actual results to vary materially from those indicated, including, but not limited to, those relating to the impact of private and public third-party payers' efforts to reduce prescription drug reimbursements, the impact of generic prescription drug inflation, the timing and magnitude of the impact of branded to generic drug conversions, our ability to realize anticipated synergies and achieve anticipated financial, tax and operating results in the amounts and at the times anticipated, supply arrangements including our commercial agreement with AmerisourceBergen Corporation, the arrangements and transactions contemplated by our framework agreement with AmerisourceBergen and their possible effects, the risks associated with equity investments in AmerisourceBergen including whether the warrants to invest in AmerisourceBergen will be exercised and the ramifications thereof, the occurrence of any event, change or other circumstance that could give rise to the termination, cross-termination or modification of any of our contractual obligations, the amount of costs, fees, expenses and charges incurred in connection with strategic transactions, whether the actual costs associated with restructuring activities will exceed estimates, our ability to realize expected savings and benefits from cost-savings initiatives, restructuring activities and acquisitions in the amounts and at the times anticipated, the timing and amount of any impairment or other charges, changes in management's assumptions, the risks associated with governance and control matters, the ability to retain key personnel, changes in economic and business conditions generally or in the markets in which we participate, changes in financial markets, interest rates and foreign currency exchange rates, the risks associated with international business operations, the risk of unexpected costs, liabilities or delays, changes in vendor, customer and payer relationships and terms, including changes in network participation and reimbursement terms, risks of inflation in the cost of goods, risks associated with the operation and growth of our customer loyalty programs, risks associated with acquisitions, divestitures, joint ventures and strategic investments, including our ability to satisfy the closing conditions and consummate the pending acquisition of Rite Aid and related financing matters on a timely basis or at all, the risks associated with the integration of complex businesses, subsequent adjustments to preliminary purchase accounting determinations, outcomes of legal and regulatory matters, including with respect to regulatory review and actions in connection with the pending acquisition of Rite Aid, and changes in legislation, regulations or interpretations thereof. These and other risks, assumptions and uncertainties are described in Item 1A (Risk Factors) of our Report on Form 10-K for the fiscal year ended August 31, 2015, which is incorporated herein by reference, and in other documents that we file or furnish with the Securities and Exchange Commission. 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. Except to the extent required by law, we do not undertake, and expressly disclaim, any duty or obligation to update publicly any forward-looking statement after the date of publication of this presentation, whether as a result of new information, future events, changes in assumptions or otherwise.

