

Walgreens

There's a way™

June 21, 2012

Mr. Terence Gerace
1824 R St NW
Washington, DC 20009-1604

Dear Mr. Gerace:

Thank you for writing us about your concern over the sale of tobacco at our stores.

We realize how important this issue is to you and others in the community. And, yes, we do care very much about all the people – smokers and non-smokers alike – that smoking affects. Many of us at Walgreens have personally lost good friends to smoking and cancer.

At the same time, we also consider ourselves a convenience-oriented retailer. And the reality is, a large portion of our customer base expects to be able to purchase tobacco products at our stores. While we've made a business decision (but not a personal one) to continue selling cigarettes, it's a decision we constantly review.

As long as we sell cigarettes, we won't promote them in our advertising and we do everything we can to prevent minors from purchasing them.

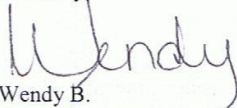
If Walgreens stopped selling tobacco products, we'd lose sales from the other convenience items that smokers normally would purchase while at our stores. That's not good for our employees, our shareholders or the convenience of the more than 20 percent of Americans who still smoke.

We're aware of the ordinance that has been introduced in San Francisco that would ban tobacco sales from drugstores with pharmacies. We're very concerned that the ordinance discriminates against drugstores and doesn't include other retailers (such as grocery stores and "big box" retailers) that also have pharmacies and employ pharmacists. That creates an unfair competitive environment.

We also believe it's better to have people buying tobacco products at a store like ours (where we also have a complete line of smoking cessation products available and pharmacists on duty to counsel on ways to stop smoking) than to allow people only to purchase tobacco products at convenience stores or gas stations that typically don't have smoking cessation products available nor anyone available on staff to counsel and provide information on how to quit smoking.

Thank you for sharing your concerns.

Sincerely,



Wendy B.
Consumer Relations Specialist

Ref #3763707

Cc: Gregory D. Wasson – President and CEO