

# WALGREENS BOOTS ALLIANCE, INC.

## FORM 8-K (Current report filing)

Filed 01/30/17 for the Period Ending 01/26/17

Address	108 WILMOT ROAD DEERFIELD, IL 60015
Telephone	(847) 315-2500
CIK	0001618921
Symbol	WBA
SIC Code	5912 - Drug Stores and Proprietary Stores
Fiscal Year	08/31

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): January 26, 2017**

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**WALGREENS BOOTS ALLIANCE, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-36759**  
(Commission  
File Number)

**47-1758322**  
(IRS Employer  
Identification Number)

**108 Wilmot Road, Deerfield, Illinois**  
(Address of principal executive offices)

**60015**  
(Zip Code)

**Registrant's telephone number, including area code: (847) 315-2500**

**Not Applicable**  
(Former name or former address, if changed since last report)

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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:

- 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))
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**Item 5.07. Submission of Matters to a Vote of Security Holders.**

(a) Walgreens Boots Alliance, Inc., a Delaware corporation (the “Company”), held its Annual Meeting of Stockholders on January 26, 2017.

(b) Set forth below are the voting results for each of the proposals submitted to a vote of the Company’s stockholders at the Annual Meeting:

*Proposal No. 1:* The stockholders voted for election of the following directors to serve on the Board of Directors until the next Annual Meeting of Stockholders or until their successors are elected and qualified (or any such director’s earlier death, resignation or removal):

	<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
Janice M. Babiak	824,994,771	6,610,339	1,099,219	133,755,160
David J. Brailer	827,187,194	4,256,338	1,260,797	133,755,160
William C. Foote	812,777,883	17,285,087	2,641,359	133,755,160
Ginger L. Graham	822,418,577	9,202,002	1,083,750	133,755,160
John A. Lederer	821,243,827	10,214,321	1,246,181	133,755,160
Dominic P. Murphy	822,565,237	8,884,548	1,254,544	133,755,160
Stefano Pessina	823,484,469	8,103,596	1,116,264	133,755,160
Leonard D. Schaeffer	818,344,261	13,052,029	1,308,039	133,755,160
Nancy M. Schlichting	816,962,471	14,617,133	1,124,725	133,755,160
James A. Skinner	817,568,538	12,483,707	2,652,084	133,755,160

*Proposal No. 2:* The proposal to approve, on an advisory basis, the compensation of the Company’s named executive officers was approved. There were 790,078,480 votes for, 37,444,019 votes against, and 5,181,830 abstentions. There were 133,755,160 broker non-votes on this proposal.

*Proposal No. 3:* The proposal to ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for fiscal year 2017 was approved. There were 955,097,503 votes for, 9,520,965 votes against, and 1,841,021 abstentions.

*Proposal No. 4:* The proposal regarding approval of the material terms of the performance measures under the Walgreens Boots Alliance, Inc. Amended and Restated 2011 Cash-Based Incentive Plan was approved. There were 814,039,450 votes for, 15,878,129 votes against, and 2,786,750 abstentions. There were 133,755,160 broker non-votes on this proposal.

*Proposal No. 5:* The stockholder proposal requesting certain proxy access by-law amendments was not approved. There were 203,037,811 votes for, 595,525,917 votes against, and 34,140,601 abstentions. There were 133,755,160 broker non-votes on this proposal.

*Proposal No. 6:* The stockholder proposal relating to executive pay & sustainability performance was not approved. There were 166,762,743 votes for, 555,232,437 votes against, and 110,709,149 abstentions. There were 133,755,160 broker non-votes on this proposal.

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**Item 7.01. Regulation FD Disclosure.**

On January 29, 2017, the Company, Rite Aid Corporation, a Delaware corporation (“Rite Aid”), and Victoria Merger Sub, Inc., a Delaware corporation and a wholly owned direct subsidiary of the Company (“Merger Sub”), entered into Amendment No. 1 (the “Amendment”) to the previously announced Agreement and Plan of Merger, dated as of October 27, 2015 (the “Merger Agreement”), by and among the Company, Rite Aid and Merger Sub. As previously disclosed, pursuant to the terms and subject to the conditions set forth in the Merger Agreement, as amended by the Amendment, Merger Sub will merge with and into Rite Aid (the “Merger”), with Rite Aid surviving the Merger as a wholly-owned direct subsidiary of the Company.

Based on the terms and conditions of the Amendment, the Company no longer expects any material accretion from Rite Aid in fiscal year 2017. This takes into account the extended timeframe for closing, the updated potential store divestitures, and the new per share merger consideration.

The Company has therefore revised its guidance for fiscal year 2017, and now anticipates adjusted net earnings per share of \$4.90 to \$5.08.

The Company continues to expect that it will realize synergies from the acquisition of Rite Aid in excess of \$1 billion, to be fully realized within three to four years of the closing of the Merger. These synergies, as previously disclosed, are expected to be derived primarily from procurement, cost savings and other operational matters.

**Item 8.01. Other Events.**

On January 30, 2017, the Company and Rite Aid issued a joint press release announcing that they had entered into the Amendment. A copy of the joint press release is filed as Exhibit 99.1 hereto and is incorporated in this Item 8.01 by reference.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

<u>Exhibit</u>	<u>Description</u>
99.1	Joint Press Release of Walgreens Boots Alliance, Inc. and Rite Aid Corporation dated January 30, 2017

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**Cautionary Note Regarding Forward-Looking Statements**

*Certain statements in this report may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” and “will” 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 involve risks, assumptions and uncertainties, including, but not limited to, risks related to the satisfaction of the conditions to closing the acquisition in the anticipated timeframe or at all, including risks related to the failure to obtain necessary*

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*regulatory and Rite Aid stockholder approvals and the possibility that the acquisition does not close, including in circumstances in which Rite Aid would be obligated to pay the Company a termination fee or other expenses and vice versa; risks related to the ability to realize the anticipated benefits of the acquisition, including the possibility that the expected synergies from the proposed acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; risks associated with the financing of the transaction; disruption from the transaction making it more difficult to maintain business and operational relationships; negative effects of this announcement or the consummation of the proposed acquisition on the market price of the Company's common stock; significant transaction costs; unknown liabilities; the risk of litigation and/or regulatory actions related to the proposed acquisition; other business effects, including the effects of industry, market, economic, political or regulatory conditions; future exchange or interest rates or credit ratings; changes in tax laws, regulations, rates and policies; competitive developments; and risks and uncertainties discussed in the reports that the Company and Rite Aid have filed 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. The Company and Rite Aid expressly disclaim any current intention to update publicly any forward-looking statement after the date of this report, whether as a result of new information, future events, changes in assumptions or otherwise. A further list and description of risks and uncertainties can be found in Rite Aid's Annual Report on Form 10-K for the fiscal year ended February 27, 2016 and its reports on Form 10-Q and Form 8-K as well as in the Company's most recent Form 10-K and its reports on Form 10-Q and Form 8-K. This report does not constitute an offer of any securities for sale.*

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**SIGNATURE**

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.

WALGREENS BOOTS ALLIANCE, INC.

Date: January 30, 2017

By: /s/ Collin Smyser

Title: Vice President, Corporate Secretary



Press Release

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

Deerfield, Ill. and Camp Hill, Pa., 30 January 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.

ENDS

#### 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



Walgreens Boots Alliance



Press Release

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).

\* 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)

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**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).

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Walgreens Boots Alliance



Press Release

### 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) and Rite Aid’s website at [www.riteaid.com](http://www.riteaid.com).

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**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) and Rite Aid's website at [www.riteaid.com](http://www.riteaid.com).

