

Walgreen Profit Up 69% on Prescriptions Demand

By Chris Burritt - Sep 27, 2011

Walgreen Co. (WAG), the largest U.S. drugstore chain, said fourth-quarter profit increased 69 percent, spurred by demand for prescriptions.

Net income for the quarter ended Aug. 31 advanced to \$792 million, or 87 cents a share, from \$470 million, or 49 cents, a year earlier, the Deerfield, Illinois-based company said today in a statement. Profit excluding a gain from the sale of Walgreens Health Initiatives was 57 cents. Analysts projected 55 cents, the average of 22 estimates compiled by Bloomberg.

Chief Executive Officer Greg Wasson has remodeled stores and added less-expensive private-label brands to lure shoppers pinched by unemployment and rising gasoline prices. Stores open at least a year filled more prescriptions during the quarter, boosting total comparable-store sales by 4.4 percent.

Total revenue rose 6.5 percent to \$18 billion, according to the statement.

Walgreen increased \$1.14, or 3.3 percent, to \$36.03 yesterday in New York Stock Exchange composite trading. The shares had declined 7.5 percent this year before today.

To contact the reporter on this story: Chris Burritt in Greensboro at cburritt@bloomberg.net

To contact the editor responsible for this story: Robin Ajello at rajello@bloomberg.net