



Walgreens to Acquire BioScrip's Community Specialty Pharmacies and Centralized Specialty and Mail Service Pharmacy Businesses

DEERFIELD, Ill. & ELMSFORD, N.Y., February 02, 2012 - Walgreen Co. (NYSE: WAG) (NASDAQ: WAG) and BioScrip, Inc. (NASDAQ: BIOS), a national provider of pharmacy and home health services, today announced that they have entered into a definitive agreement under which Walgreens would acquire certain assets of BioScrip's community specialty pharmacies and centralized specialty and mail service pharmacy businesses and BioScrip would receive a total deal value of approximately \$225 million. This includes approximately \$170 million in cash at closing and retention by BioScrip of associated accounts receivable and working capital liabilities of approximately \$55 million, based on BioScrip's balance sheet values at Dec. 31, 2011. Up to an additional \$60 million in purchase price may be payable based on events related directly or indirectly to Walgreens retention of certain business included in the transferred businesses.

This acquisition fits Walgreens strategy to advance community pharmacy and bring additional specialty pharmacy products and services closer to patients. The acquisition will also help grow Walgreens centralized specialty and mail service pharmacy operations.

For BioScrip, the transaction will provide the ability to continue to focus on and expand in its core strategic growth areas—infusion pharmacy and home health services. BioScrip will also maintain its pharmacy benefit management and cash card business.

“Together, BioScrip's clinically focused community specialty pharmacies and access to additional limited distribution drug therapies, and Walgreens existing nationwide network of retail and health system pharmacies create a strong network of support for our core drugstore business to provide specialty pharmacy solutions to our patients,” said Walgreens President and CEO Greg Wasson. “Many of our patients will benefit from expanded access to new and limited distribution drugs for chronic conditions such as HIV, cancer and organ transplant. This acquisition also significantly expands our nationwide reach to an additional half-million patients with chronic and complex health conditions who have strong clinical relationships with their current BioScrip pharmacy.”

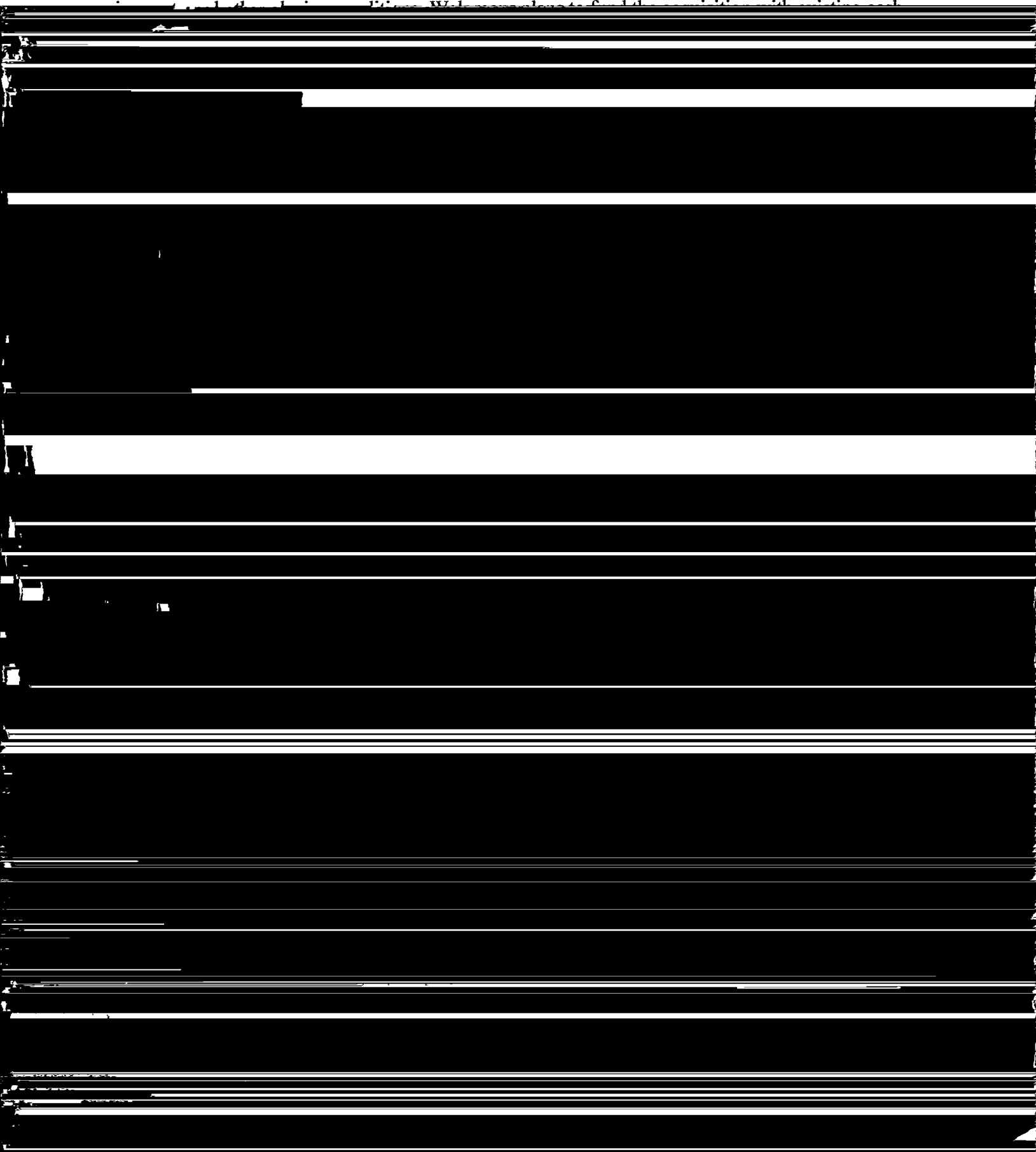
BioScrip President and CEO Rick Smith stated, “Our specialty pharmacy clinicians have established a respected reputation for high levels of customer service. The recognition of our clinical expertise in complex, chronic programs has resulted in consistent growth of this business. We believe that Walgreens is an ideal home for BioScrip's specialty pharmacy and mail businesses, as it has the resources to support a growing customer base.”

BioScrip's community specialty pharmacy business is a national network with 30 locations in 16 states across the U.S. and the District of Columbia, primarily serving HIV, oncology and transplant patients. In addition to acquiring those locations, Walgreens will acquire certain assets of BioScrip's centralized specialty pharmacy business and traditional mail service pharmacy business that dispenses prescriptions for, among others, drugstore.com, which was acquired by Walgreens in June 2011.

The transaction is structured as an asset acquisition, with a plan to transfer the servicing of patients for the central specialty pharmacy and mail service pharmacy businesses to existing Walgreens facilities. BioScrip will continue to service its infusion patient base through existing BioScrip pharmacy facilities.

Walgreens currently anticipates the transaction will not have a material impact on its earnings per share in fiscal year 2012, and expects it to be modestly accretive in fiscal year 2013.

Completion of the transaction is subject to customary conditions, including satisfaction of regulatory



statements after the distribution of this press release, whether as a result of new information, future events, changes in assumptions, or otherwise.