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Independent Auditors' Report

Board of Directors
Walgreen Co.

We have examined Walgreen Co.'s (Walgreens) pharmacy management application (consisting of IC+ and Power) and related systems (collectively referred to as "PMA") installed at Walgreens in the information technology environment described in Section III of this report, to determine whether, at August 31, 2013, the PMA met the criteria applicable to a PMA set forth in the Code of Federal Regulations Title 21, Food and Drugs, Parts 1300, 1304, 1306, and 1311, "Electronic Prescriptions for Controlled Substances; Final Rule," established by the Drug Enforcement Administration (DEA) of the United States Department of Justice (PMA criteria). The PMA criteria are listed in Section II of this report. Management of Walgreens is responsible for the PMA meeting the PMA criteria. Our responsibility is to express an opinion on whether the PMA met the PMA criteria at August 31, 2013, based on our examination.

We have also examined the effectiveness of Walgreens' controls, described in Section II of this report, relevant to the processing integrity and security of the PMA during the period December 1, 2012, through August 31, 2013, using the American Institute of Certified Public Accountants (AICPA)-Canadian Institute of Chartered Accountants (CICA) Trust Services Criteria for processing integrity and security. Management of Walgreens is responsible for maintaining the effectiveness of these controls. Our responsibility is to express an opinion on whether management maintained effective controls during the period December 1, 2012, through August 31, 2013, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Our examination of whether the PMA met the PMA criteria included examining, on a test basis, evidence about whether the PMA met the PMA criteria and performing such other procedures as we considered necessary in the circumstances. In examining whether the PMA met the AICPA-CICA Trust Services Criteria for processing integrity and security, our examination included (1) obtaining an understanding of Walgreens' controls over the processing integrity and security of the PMA; (2) testing and evaluating the operating effectiveness of those controls; and (3) performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination as to whether the PMA met the PMA criteria.



To provide additional information about our examination of whether the PMA met the PMA criteria, in Section III of this report we have provided a description of certain aspects of the application configuration and information technology environment in which we performed our tests of whether the PMA met the PMA criteria. The proper functioning of an application depends on the information technology environment in which it operates, such as the physical hardware, system software, and software configuration settings. Because of the dependency of the application on the information technology environment, the application may not function as designed due to changes in the information technology environment or the failure to make needed changes. The proper functioning of the PMA also depends on the proper execution of the application and functioning of the information technology environment. Furthermore, the projection of any conclusions, based on our findings, to other releases of the application is subject to the risk that the validity of such conclusions may be altered because of changes made to the application in other releases.

Because of the nature and inherent limitations of controls, Walgreens' ability to meet the AICPA-CICA Trust Services Criteria for processing integrity and security may be affected. For example, controls may not prevent or detect and correct error or fraud, unauthorized access to systems and information, and failure to comply with internal and external policies or requirements. Also, the projection of any conclusions based on our findings to future periods is subject to the risk that changes may alter the validity of such conclusions.

In our opinion, as of August 31, 2013, the PMA met the PMA criteria, in all material respects. Also, in our opinion, Walgreens maintained, in all material respects, effective controls over the processing integrity and security of the PMA to provide reasonable assurance that the PMA was protected against unauthorized access (both physical and logical) and the system processing was complete, accurate, timely, and authorized, during the period December 1, 2012, through August 31, 2013, based on the AICPA-CICA Trust Services Criteria for processing integrity and security criteria.

This report is intended solely for the information and use of Walgreens, its Affiliates that use the applicable electronic prescription systems, the DEA, and SureScripts LLC and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 26, 2013