The Jean Coutu Group (PJC) Inc.

THIRD QUARTER

OF FISCAL YEAR

2015

REPORT

13- AND 39- WEEK PERIODS
ENDED NOVEMBER 29, 2014

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Throughout this document, The Jean Coutu Group (PJC) Inc. and its subsidiaries, unless otherwise indicated, are referred to as "Corporation", "Jean Coutu Group", "we" or "our". The Jean Coutu Group is one of the most trusted names in Canadian pharmacy retailing. As at November 29, 2014, the Corporation operates a network of 416 franchised stores located in the provinces of Québec, New Brunswick and Ontario under the banners of PJC Jean Coutu, PJC Clinique, PJC Jean Coutu Santé and PJC Jean Coutu Santé Beauté, which employs close to 20,000 people. Furthermore, the Jean Coutu Group owns Pro Doc Ltd ("Pro Doc"), a Québec-based subsidiary and manufacturer of generic drugs.

The Jean Coutu Group (PJC) Inc.

MESSAGE TO SHAREHOLDERS

13- and 39- week periods ended November 29, 2014

To our shareholders:

The Jean Coutu Group is pleased to report its financial results for the third quarter and 39-week period ended November 29, 2014.

Revenues amounted to $736.7 million during the quarter ended November 29, 2014 compared with $712.5 million for the same period of fiscal year 2014. During the 39-week period of fiscal year 2015, revenues amounted to $2,099.7 million compared with 2,047.9 million for the same period of the previous fiscal year.

Operating income before depreciation and amortization ("OIBA") decreased by $3.2 million and amounted to $84.8 million during the quarter ended November 29, 2014 compared with $88.0 million for the quarter ended November 30, 2013. OIBA was negatively impacted by the share-based payments instruments (stock appreciation rights and deferred share units) expenses. Pro Doc's contribution to the consolidated OIBA, net of intersegment eliminations, amounted to $22.3 million during the quarter ended November 29, 2014 compared with $21.6 million during the quarter ended November 30, 2013. During the 39-week period ended November 29, 2014, OIBA amounted to $247.8 million compared with $247.0 million for the same period of fiscal year 2014. Pro Doc's contribution to the consolidated OIBA amounted to $67.1 million compared with $58.0 million for the same period of the previous fiscal year.

Net profit for the third quarter of fiscal year 2015 amounted to $56.0 million ($0.30 per share) compared with $62.5 million ($0.30 per share) during the third quarter of fiscal year 2014. The decrease in net profit is also attributable to the increased share-based payments instruments expenses. Net profit for the 39-week period ended November 29, 2014 amounted to $163.7 million ($0.87 per share) compared with $379.3 million ($1.79 per share) for the same period of fiscal year 2014. The decrease in net profit is mainly attributable to the gains of $212.7 million related to the investment in Rite Aid recognized during the 39-week period of fiscal year 2014.

As at November 29, 2014, there were 416 stores in the PJC network of franchised stores. During the third quarter of fiscal year 2015, total retail sales for the PJC network of franchised stores increased by 3.6% while on a same-store basis, sales increased by 3.1% compared with the third quarter of fiscal year 2014. During the 39-week period ended November 29, 2014, total retail sales for the PJC network of franchised stores increased by 2.4% and on a same-store basis, the PJC network's retail sales grew by 1.9% compared with the same period of fiscal year 2014.

The Board of the Jean Coutu Group declared a quarterly dividend of $0.10 per share. This dividend will be paid on February 6, 2015 to all holders of Class "A" subordinate voting shares and holders of Class "B" shares listed in the Corporation's shareholder ledger as at January 23, 2015.

"The front end sales increased during the third quarter despite a very competitive environment which reflects a successful implementation of our strategies" stated Mr. Francois J. Coutu". "We will continue dedicating the necessary efforts to reach our objectives, thus sustain our long term growth."

Yours truly,

/s/ François J. Coutu
François J. Coutu
President and Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. GENERAL INFORMATION

Throughout this document, The Jean Coutu Group (PJC) Inc. and its subsidiaries, unless otherwise indicated, are referred to as "Corporation", "Jean Coutu Group", "we" or "our". The Jean Coutu Group is one of the most trusted names in Canadian pharmacy retailing. As at November 29, 2014, the Corporation operates a network of 416 franchised stores located in the provinces of Québec, New Brunswick and Ontario under the banners of PJC Jean Coutu, PJC Clinique, PJC Jean Coutu Santé and PJC Jean Coutu Santé Beauté, which employs close to 20,000 people. Furthermore, the Jean Coutu Group owns Pro Doc Ltd ("Pro Doc"), a Québec-based subsidiary and manufacturer of generic drugs.

This management's discussion and analysis ("MD&A") provides the reader with a review and analysis, from the perspective of management, of the Corporation's financial results for the third quarter of fiscal year 2015. This MD&A should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements for the third quarter of fiscal year 2015, its annual audited consolidated financial statements and its annual MD&A for fiscal year 2014. All financial information has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), as set out in the Handbook of the Canadian Institute of Chartered Accountants – Part I, which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Corporation's reporting calendar is based on the US National Retail Federation 4-5-4 merchandising calendar and the fiscal year end is the Saturday closest to February 29 or March 1st. Accordingly, the Corporation's fiscal year is usually 52 weeks in duration but includes a 53rd week every 5 or 6 years. The fiscal years ending February 28, 2015 and March 1, 2014 each contain 52 weeks. The quarters ended November 29, 2014 ("Q3-2015") and November 30, 2013 ("Q3-2014") each contained 13 weeks.

Unless otherwise indicated, all amounts are in Canadian dollars.

2. DEFINITIONS

Segmented information

The Corporation has two reportable operating segments: franchising and generic drugs. Within the franchising segment, the Corporation carries on the franchising activity under the banners of PJC Jean Coutu, PJC Clinique, PJC Jean Coutu Santé and PJC Jean Coutu Santé Beauté, operates two distribution centres and coordinates several other services for the benefit of its franchisees. Within the generic drugs segment, the Corporation owns Pro Doc, a Canadian manufacturer of generic drugs whose revenues come from the sale of generic drugs to wholesalers and pharmacists. Both reportable operating segments of the Corporation are in the Canadian geographic area.

Revenues - Franchising

Revenues consist of sales and other revenues derived from franchising activities. Merchandise sales to PJC franchisees, mostly through the Corporation's distribution centres, account for the major part of the revenues. PJC franchised stores' retail sales are not included in the Corporation's revenues. However, any change in their retail sales directly affects the Corporation's revenues since PJC franchisees purchase most of their inventory from its distribution centres.

Other revenues consist of royalties from franchisees based on a percentage of their retail sales, rental revenues and revenues from certain services rendered to franchisees.

Revenues - Generic drugs

Revenues consist of generic drugs' sale of the subsidiary Pro Doc.

3. QUARTERLY RESULTS

QUARTERLY AND YEAR TO DATE CONSOLIDATED FINANCIAL INFORMATION – UNAUDITED

The following table presents selected financial information and operating results for the quarters and periods ended November 29, 2014 (Q3-2015) and November 30, 2013 (Q3-2014).

	13 weeks		39 weeks	
(unaudited, in millions of dollars except per share amounts)	**Q3-2015**	Q3-2014	**2015**	2014
	$	$	**$**	$
Sales	**666.6**	642.3	**1,891.8**	1,843.5
Other revenues	**70.1**	70.2	**207.9**	204.4
Revenues [1]	**736.7**	712.5	**2,099.7**	2,047.9
Gross profit	**89.3**	86.0	**251.6**	241.4
Operating income before amortization ("OIBA")				
Franchising	**62.5**	66.4	**180.7**	189.0
Generic drugs	**23.6**	26.6	**71.3**	66.2
Inter-segment eliminations	**(1.3)**	(5.0)	**(4.2)**	(8.2)
	84.8	88.0	**247.8**	247.0
Financial revenues	**(0.1)**	(1.5)	**(0.8)**	(1.8)
Gains on sales of investment in Rite Aid	**-**	-	**-**	212.7
Income tax expense	**20.8**	18.9	**60.9**	58.1
Net profit	**56.0**	62.5	**163.7**	379.3
Profit per share, basic and diluted	**0.30**	0.30	**0.87**	1.79
Net profit before gains related to the investment in Rite Aid [2]	**56.0**	62.5	**163.7**	166.6
Profit per share, basic [2]	**0.30**	0.30	**0.87**	0.79

[1] Revenues include sales and other revenues.

[2] Readers are referred to section 11. "Non-IFRS financial measure" of this MD&A for further information on this measure.

COMPARISON OF THE CONSOLIDATED QUARTERLY AND YEAR TO DATE RESULTS FOR THE PERIODS ENDED NOVEMBER 29, 2014 (Q3-2015) AND NOVEMBER 30, 2013 (Q3-2014)

Readers are referred to the "Modifications decreed by competent authorities with respect to drug pricing" section at the end of this section for details on the changes in drug pricing.

Revenues

Sales amounted to $666.6 million during the quarter ended November 29, 2014, compared with $642.3 million during the quarter ended November 30, 2013, a 3.8% increase. During the 39-week period ended November 30, 2014, sales amounted to $1,891.8 million compared with $1,843.5 million for the same period of the previous fiscal year, a 2.6% increase. This increase is attributable to the expansion of the PJC network of franchised stores and the overall market growth despite the deflationary impact of the price reductions of generic drugs and the increase in proportion of prescriptions of generic drugs compared with the brand name drugs.

Gross sales of Pro Doc drugs, net of intersegment eliminations, amounted to $50.7 million during the quarter ended November 29, 2014, compared with $47.9 million for the quarter ended November 30, 2013, a 5.8% increase. During the 39-week period ended November 29, 2014, gross sales of Pro Doc drugs, net of intersegment eliminations, amounted to $147.1 million compared with $138.2 million for the same period of the previous fiscal year, an increase of 6.4%. This growth in mainly attributable to the increase in volume of Pro Doc drugs sold.

Other revenues amounted to $70.1 million during the third quarter of fiscal year 2015 compared with $70.2 million during the third quarter of fiscal year 2014. For the 39-week period ended November 29, 2014, other revenues amounted to $207.9 million compared with $204.4 million for the same period of the previous fiscal year, an increase of 1.7%. This increase is mainly attributable to the normal increase in rental revenues.

Gross profit

During the third quarter of fiscal year 2015, gross profit amounted to $89.3 million compared with $86.0 million during the third quarter of the previous fiscal year, an increase of 3.8%. For the quarter ended November 29, 2014, gross profit calculated as a percentage of sales amounted to 13.4% same as for the comparable period of the previous fiscal year.

For the 39-week period ended November 29, 2014, gross profit calculated as a percentage of sales was 13.3% compared with 13.1% for the same period of the previous fiscal year. This growth is attributable to the increase in volume of Pro Doc drugs sold.

OIBA - Consolidated

As a percentage of revenue, consolidated OIBA amounted to 11.5% during the third quarter of fiscal year 2015 compared with 12.4% for the same quarter of the previous fiscal year. As a percentage of revenue, consolidated OIBA amounted to 11.8% during the 39-week period ended November 29, 2014 compared with 12.1% for the same period of the previous fiscal year.

OIBA - Franchising

OIBA for the franchising activities decreased by $3.9 million to $62.5 million during the third quarter of fiscal year 2015 compared with $66.4 million during the third quarter of fiscal year 2014. During the 39-week period ended November 29, 2014, franchising segment OIBA decreased by $8.3 million to $180.7 million, compared with $189.0 million for the same period of fiscal year 2014. This decrease is mainly attributable to the increase of the general and operating expenses and more specifically, some expenses related to stores in the start-up phase and to the growth of $3.7 million of the share-based payments instruments expense related to the increase of the Corporation's share market price.

OIBA - Generic drugs

Pro Doc's contribution to the consolidated OIBA, net of intersegment eliminations, increased by $0.7 million to $22.3 million for the third quarter of fiscal year 2015, compared with $21.6 million during the third quarter of fiscal year 2014. This increase is mainly attributable to the increase in volume of Pro Doc drugs sold. Pro Doc's contribution to the consolidated OIBA, as a percentage of its gross sales and net of intersegment eliminations, reached 44.0% for the third quarter of fiscal year 2015 compared with 45.1% for the same period of the previous fiscal year.

During the 39-week period ended November 29, 2014, the generic drug segment's OIBA, net of intersegment eliminations, increased by $9.1 million to $67.1 million, compared with $58.0 million for the same period of fiscal year 2014. This increase is mainly attributable to the volume increase of Pro Doc drugs sold. Pro Doc's contribution to the consolidated OIBA, as a percentage of its gross sales and net of intersegment eliminations, reached 45.6% for the 39-week period ended November 29, 2014 compared with 42.0% for the same period of the previous fiscal year.

Financing revenues

During the third quarter of fiscal year 2015, financing revenues amounted to $0.1 million compared with $1.5 million during the third quarter of fiscal year 2014. For the 39-week period ended November 29, 2014, financing revenues amounted to $0.8 million compared with $1.8 million for the same period of the previous fiscal year.

Income tax

Income tax expense amounted to $20.8 million during the third quarter of fiscal year 2015, compared with $18.9 million during the third quarter of fiscal year 2014. This corresponds to an effective income tax rate of 27.1% for the quarter ended November 29, 2014 and to an effective rate of 23.2% for the same period of the previous fiscal year.

Income tax expense amounted to $60.9 million during the 39-week period ended November 29, 2014, compared with $58.1 million during the same period of fiscal year 2014, which corresponds to effective income tax rates of 27.1% and 13.3% respectively.

For the 13- and 39-week periods ended November 30, 2013, an amount of $3.2 million of tax provision was reversed in profit or loss in accordance to the progress of the processes of tax audits and relevant jurisprudence. Furthermore, for the 39-week period ended November 30, 2013 the change in effective tax rate is mainly attributable to the impact of the difference between the carrying and the tax base amounts of the investment in Rite Aid for which no deferred tax asset had been recorded. Therefore no income taxes were recorded in respect to the gains related to the investment in Rite Aid during the 39-week period ended November 30, 2013.

Net profit

Net profit during the quarter ended November 29, 2014 amounted to $56.0 million ($0.30 per share) compared with $62.5 million ($0.30 per share) for the third quarter of fiscal year 2014. The decrease in net profit is also attributable to the increase of the share-based payments instruments expenses.

Net profit during the 39-week period ended November 29, 2014 amounted to $163.7 million ($0.87 per share) compared with $379.3 million ($1.79 per share) for the corresponding period of fiscal year 2014. The decrease in net profit is mainly attributable to the gains of $212.7 million related to Rite Aid recognized during the 39-week period ended November 30, 2013, compared with no gains related to the investment in Rite Aid for the 39-week period ended November 29, 2014. Readers are referred to section 5. "Investment in Rite Aid" of this MD&A for further information on the gains related to the investment in Rite Aid.

Net profit before gains related to the investment in Rite Aid amounted to $163.7 million ($0.87 per share) for the 39-week period ended November 29, 2014 compared with $166.6 million ($0.79 per share) for the same period of the previous fiscal year. Readers are referred to section 11. "Non IFRS measure" of this MD&A for further information on the net profit before gains related to the investment in Rite Aid.

SELECTED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION – UNAUDITED

	Quarters							
(unaudited, in millions of dollars except per share amounts)	**Q3-2015**	Q2-2015	Q1-2015	Q4-2014	Q3-2014	Q2-2014	Q1-2014	Q4-2013
	$	$	$	$	$	$	$	$
Revenues								
Franchising	**736.3**	673.4	687.5	684.8	711.2	652.7	682.0	682.5
Generic drugs	**45.0**	46.8	39.7	41.8	44.2	40.9	33.1	44.6
Intersegment sales	**(44.6)**	(45.8)	(38.6)	(41.2)	(42.9)	(39.8)	(33.5)	(44.4)
	736.7	674.4	688.6	685.4	712.5	653.8	681.6	682.7
Operating income before depreciation and amortization ("OIBA")								
Franchising	**62.5**	58.9	59.3	65.1	66.4	58.2	64.4	64.9
Generic drugs	**23.6**	26.5	21.2	23.2	26.6	25.1	14.5	21.7
Intersegment eliminations	**(1.3)**	(4.4)	1.5	(0.8)	(5.0)	(6.1)	2.9	(5.0)
	84.8	81.0	82.0	87.5	88.0	77.2	81.8	81.6
Net profit	**56.0**	53.6	54.1	57.7	62.5	208.2	108.6	53.5
Basic profit per share	**0.30**	0.28	0.29	0.30	0.30	0.99	0.51	0.25

During the last quarters, the Corporation's revenues for each comparable quarter are relatively stable. This is mainly attributable to the deflationary impact due to the introduction of the generic version of certain drugs, the price reductions of generic drugs decreed by competent authorities as well as the increase in proportion of generic drugs sold.

Except for the third quarter, there was a progression in the Corporation's consolidated OIBA for each of the comparable quarters shown above, which is mainly attributable to the solid operational performance of generic drugs segment.

The Corporation's net profit for Q2-2014 included a gain related to the investment in Rite Aid of $158.3 million and the Corporation's net profit for Q1-2014 included a gain related to the investment in Rite Aid of $54.4 million. Readers are referred to section 5. "Investment in Rite Aid" of this MD&A for further information on these gains.

The net profit for Q3-2014 included a reversal of tax provisions of $3.2 million.

Modifications decreed by competent authorities with respect to drug pricing

The reimbursement rate for six large volume generic prescription drugs were considerably reduced for all Canadian provinces in June 2013 and for four other generic drugs in April 2014. These changes, as well as other changes regarding the pricing of generic drugs sold in New Brunswick also had a deflationary impact on the Corporation's consolidated sales.

These changes, as well as any new announcement that could be made, could have an adverse effect on the Corporation's financial performance.

4. INFORMATION ON THE PJC NETWORK OF FRANCHISED STORES

Within the franchising segment, the Corporation carries on the franchising activity under the banners of PJC Jean Coutu, PJC Clinique, PJC Jean Coutu Santé and PJC Jean Coutu Santé Beauté, operates two distribution centres and coordinates several other services for the benefit of its franchisees. These services comprise centralized purchasing, distribution, marketing, training, human resources, management, operational consulting and information systems, as well as a private label program. The PJC franchisees manage their store and are responsible for merchandising and financing their inventory. They must supply their store from the Corporation's distribution centres, provided that products ordered are available. The PJC franchised stores' financial results are not included in the Corporation's consolidated financial statements.

Expansion of the PJC network of franchised stores

As at November 29, 2014 there were 416 stores in the PJC network of franchised stores compared with 413 as at March 1, 2014 and 413 as at November 30, 2013. As at November 29, 2014, total selling square footage of the PJC network amounted to 3,167,000 square feet compared with 3,096,000 square feet as at March 1, 2014 and 3,083,000 square feet as at November 30, 2013.

During the third quarter of fiscal year 2015, there were 3 store openings in the PJC network of franchised stores including 1 relocation. Furthermore, the Corporation proceeded to the closing of 2 stores. During the third quarter of fiscal year 2014, there were 4 store openings including 2 relocations.

NETWORK PERFORMANCE

(unaudited)	13 weeks Q3-2015	13 weeks Q3-2014	39 weeks 2015	39 weeks 2014
Retail sales *(in millions of dollars)*	**$1,049.6**	$1,012.7	**$3,075.6**	$3,002.7
Retail sales per square foot *(in dollars)* [(1)]	**$1,275**	$1,283		
Retail sales per sector *(in percentage)*				
Pharmacy, prescription drugs	**63.8%**	63.5%	**63.5%**	63.3%
Front-end, non-prescription drugs	**8.8%**	9.0%	**8.6%**	8.8%
Front-end, general merchandise	**27.4%**	27.5%	**27.9%**	27.9%
Retail sales growth *(in percentage)*				
Total stores				
Total	**3.6%**	(0.6)%	**2.4%**	0.3%
Pharmacy	**4.2%**	(0.8)%	**2.7%**	(0.1)%
Front-end [(2)]	**2.7%**	(0.6)%	**1.7%**	0.8%
Same store [(3)]				
Total	**3.1%**	(1.3)%	**1.9%**	(0.3)%
Pharmacy	**3.8%**	(1.6)%	**2.2%**	(0.7)%
Front-end [(2)]	**2.0%**	(1.3)%	**1.0%**	0.2%
Prescriptions growth *(in percentage)*				
Total stores	**4.0%**	4.5%	**4.0%**	4.8%
Same store [(3)]	**3.7%**	4.0%	**3.6%**	4.2%

(1) The last 12-month store sales are divided by the weighted average square footage for this period.
(2) The front-end sales exclude the sale of services that are included in the total of the retail sales growth.
(3) Same store means a store that operated throughout the current fiscal year as well as the previous fiscal year.

During the third quarter of fiscal year 2015, on a same-store basis, the PJC network retail sales increased by 3.1%, pharmacy sales increased by 3.8% and front-end sales increased by 2.0% compared with the same period last year. During the quarter ended November 29, 2014, sales of non-prescription drugs, which represented 8.8% of total retail sales, increased by 1.6% while they were stable during the same quarter of the previous fiscal year.

During the 39-week period ended November 29, 2014, on a same-store basis, PJC network retail sales grew by 1.9%, pharmacy sales increased by 2.2% and front-end sales increased by 1.0% compared with the same period last year. During the 39-week period ended November 29, 2014, sales of non-prescription drugs, which represented 8.6% of total retail sales, increased by 0.8% compared with an increase of 1.6% during the same period last year.

Proportion of generic drugs reached 68.1% of prescriptions during the third quarter of fiscal year 2015 compared with 66.7% of prescriptions during the third quarter of the previous fiscal year. The increase of the number of generic drugs prescriptions, with lower selling prices than brand name drugs, had a deflationary impact on the pharmacy's retail sales. During the third quarter of fiscal year 2015, the introduction of new generic drugs reduced pharmacy's retail sales growth by 0.6% and the price reductions of generic drugs decreed by competent authorities reduced pharmacy's retail sales growth by another 0.6%.

5. INVESTMENT IN RITE AID

During the 39-week period ended November 30, 2013, in accordance with the provisions of Rule 144 under the U.S. Securities Act of 1933, the Corporation disposed of all its remaining shares of Rite Aid, or 178,401,162 common shares. These shares were sold at an average price of $US2.60 per share for a net proceeds of $477.9 million (US$461.4 million). Therefore, a $212.7 million gain (including a favorable cumulative currency translation of $17.2 million) was reclassified from the condensed consolidated statement of comprehensive income to the condensed consolidated statement of income of the Corporation during the 39-week period ended November 30, 2013. The increase in fair value of investment in Rite Aid recognized in the condensed consolidated statement of comprehensive income of the Corporation for the 39-week period ended November 30, 2013 totaled $171.9 million. As at March 1, 2014 and as at November 29, 2014, the Corporation no longer owned any share in Rite Aid.

6. LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Corporation's cash flows are generated by: i) merchandise sales and rental revenue from PJC franchised stores, ii) royalties paid by PJC franchisees and iii) rent from properties leased to third parties other than franchisees. These cash flows are used: i) to purchase products for resale and for payment of services, ii) to finance operating expenses, iii) for real estate investments, iv) to finance capital expenditures incurred to renovate and open stores, replace equipment and construction of new head office and new distribution center, v) to repurchase shares and vi) for dividends payment. The Corporation has typically financed capital expenditures and working capital requirements through cash flows from operating activities.

SELECTED CONSOLIDATED INFORMATION ON LIQUIDITY

The following table presents selected information from the unaudited consolidated statements of cash flows for the quarters and 39-week periods ended November 29, 2014 and November 30, 2013.

	13 weeks		39 weeks	
(in millions of dollars)	**Q3-2015**	Q3-2014	**2015**	2014
	$	$	**$**	$
Cash flow provided by operating activities	**68.7**	103.1	**197.8**	197.1
Cash flow related to investing activities	**(33.0)**	(22.7)	**(69.1)**	435.5
Cash flow related to financing activities	**(20.9)**	(425.0)	**(109.5)**	(512.2)

COMPARISON OF THE CONSOLIDATED INFORMATION ON LIQUIDITY FOR QUARTERS ENDED NOVEMBER 29, 2014 AND NOVEMBER 30, 2013

Cash flow generated by operating activities

Cash generated by operating activities amounted to $68.7 million during the third quarter of fiscal year 2015 compared with $103.1 million during the third quarter of fiscal year 2014. This decrease of $34.4 million is mainly attributable to the net change in non-cash asset and liability items. Readers are referred to Note 10 of the Corporation's unaudited condensed consolidated interim financial statements for the third quarter of fiscal year 2015 for a listing of the net changes in non-cash asset and liability items.

Cash flow related to investing activities

Cash used by investing activities during the third quarter of fiscal year 2015 amounted to $33.0 million compared with $22.7 million during the third quarter of fiscal year 2014. During the third quarter of fiscal year 2015, $26.7 million were used to acquire property and equipment mainly related to the new facilities in Varennes and $5.4 million for intangible assets, whereas during the third quarter of fiscal year 2014, $15.3 million were used to acquire property and equipment and $6.7 million were used to acquire intangible assets. During the third quarter of fiscal year 2015, 3 stores were opened, including 1 relocation, in the PJC network of franchised stores. Furthermore, 3 stores were expanded or significantly renovated.

Cash flow related to financing activities

Cash used for financing activities amounted to $20.9 million during the third quarter of fiscal year 2015 compared with $425.0 million during the third quarter of fiscal year 2014. During the third quarter of fiscal year 2015, $3.7 million were used to repurchase Class "A" Subordinate Voting Shares, compared with $407.5 million during the third quarter of fiscal year 2014. During the third quarter of fiscal year 2015, the Corporation paid a quarterly dividend of $0.10 per Class "A" Subordinate Voting Share and Class "B" share. These dividends amounted to $18.8 million (annualized dividend of $0.40 per share). During the third quarter of fiscal year 2014, the Corporation had paid a quarterly dividend of $0.085 per Class "A" Subordinate Voting Share and Class "B" share for a total of $17.9 million (annualized dividend of $0.34 per share).

LONG-TERM DEBT

As at November 29, 2014, the Corporation had access to an unsecured revolving credit facility in the amount of $500.0 million maturing on November 10, 2019. As at November 29, 2014 and as at March 1, 2014, this credit facility was unused except for letters of credit of $0.3 million and $0.4 million respectively.

On December 3, 2014, the Corporation cancelled $250.0 million of the $500.0 million aggregate amount available under the unsecured revolving credit facility, which was not drawn by the Corporation on that date, in order to reduce standby fees. Under the facility credit agreement, the Corporation may, under certain circumstances and subject to receipt of additional commitments from existing lenders or other eligible institutions, request increases to the credit facility up to an aggregate amount, together with all then-existing commitments, of $750.0 million.

Beside this revolving credit facility to finance its projects, the Corporation's cash flow is provided by its operating activities. The Corporation does not expect any liquidity issues. As at November 29, 2014, all of its bank covenants were respected.

CAPITAL STOCK

Substantial issuer bid

On October 8, 2013, the Corporation announced an offer to repurchase for cancellation up to 22,000,000 Class “A” subordinate voting shares of the Corporation at a price of $18.50 per share (the “Offer”). In accordance with the Offer, the Corporation repurchased 22,000,000 Class "A" subordinate voting shares at a price of $18.50 per share for a total consideration of $407.5 million including related costs during the 13- and 39-week periods ended November 30, 2013. An amount of $299.8 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings for the 13- and 39-week periods ended November 30, 2013.

Repurchase under the normal course issuer bid

On April 30, 2014, the Corporation announced its intention to repurchase for cancellation, if it is considered advisable, up to 8,190,000 of its outstanding Class "A" Subordinate Voting Shares, representing approximately 10% of the current public float of such shares, over a 12-month period ending no later than May 6, 2015. The shares were or will be repurchased through the facilities of the Toronto Stock Exchange ("TSX") and in accordance with its requirements.

On May 1, 2013, the Corporation announced its intention to repurchase for cancellation, up to 8,917,000 of its outstanding Class "A" Subordinate Voting Shares, representing approximately 10% of the current public float of such shares, over a 12-month period ending no later than May 6, 2014. During the term of this normal course issuer bid, the Corporation repurchased and cancelled 4,019,000 Class "A" Subordinate Voting Shares in accordance with applicable Canadian securities laws.

For the 13-week period ended November 29, 2014, the Corporation did not repurchase any Class "A" subordinate voting shares. For the 39-week period ended November 29, 2014, the Corporation repurchased under its normal course issuer bid 2,574,100 Class "A" subordinate voting shares at the average price of $21.62 per share for a total consideration of $55.6 million including related costs. Amount of $42.9 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings for the 39-week period ended November 29, 2014. The shares repurchased during the 39-week period ended November 29, 2014 were cancelled during that period.

For the 13-week period ended November 30, 2013, the Corporation did not repurchase any Class "A" subordinate voting shares. For the 39-week period ended November 30, 2013, the Corporation repurchased under its normal course issuer bid 3,344,100 Class "A" subordinate voting shares at the average price of $16.71 per share for a total consideration of $55.9 million including related costs. Amount of $37.9 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings for the 39-week period ended November 30, 2013. The shares repurchased during the 39-week period ended November 30, 2013 were cancelled during that period.

Exercise of exchange privilege

On August 14, 2013, the Corporation issued 10,385,000 Class "A" subordinate voting shares, due to the exercise of exchange privilege of 10,385,000 Class "B" shares against Class "A" subordinate voting shares on the basis of one Class "A" subordinate voting share for each Class "B" share exchanged.

Stock options

For the 13-week and 39-week periods ended November 29, 2014, 130,403 and 205,706 Class "A" Subordinate Voting Shares were issued following the exercise of stock option compared with 44,525 and 567,542 shares for the same periods of the previous fiscal year.

Shares issued

As at November 29, 2014, the total number of Class "A" Subordinate Voting Shares (TSX: PJC.A) issued was 82.9 million (85.2 million as at March 1, 2014), and the number of Class "B" shares was 104.0 million (104.0 million as at March 1, 2014). Thus, the total number of issued shares was 186.9 million as at November 29, 2014, compared with 189.2 million as at March 1, 2014.

SPECIAL DIVIDEND

On October 8, 2013, the Corporation’s Board of Director approved a special cash dividend of $0.50 per Class “A” subordinate voting share and per Class “B” share of the Corporation. This special dividend was paid on December 2, 2013 to all shareholders listed in the Corporation’s shareholder ledger on November 25, 2013.

OPERATING LEASE OBLIGATIONS

The Corporation leases a substantial portion of its buildings using conventional operating leases. Generally, the Corporation's real estate leases are for primary terms of 10 to 15 years with renewing options.

For further details, readers are referred to Note 27 of the Corporation's consolidated financial statements for fiscal year 2014.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Readers are referred to the table of the Corporation's main contractual cash obligations under its long-term debt, leases, services and capital assets commitments included in the Corporation’s annual MD&A of the fiscal year ended March 1, 2014.

7. FINANCIAL INSTRUMENTS AND OFF-BALANCE SHEET ARRANGEMENTS

This section is subject to section 15. "Forward-looking statements disclaimer". The Corporation does not use any off-balance sheet arrangements that currently have, or are reasonably likely expected to have, a material effect on its financial condition, financial performance or cash flow. The Corporation uses operating leases for many of its properties.

In its normal course of business, the Corporation is exposed to a certain interest rates fluctuation risk, due to its variable rates' financial obligations. Depending on the surrounding market's interest rate, the Corporation could, in the future, use derivative financial instruments or other interest rate management vehicles.

Readers are referred to Note 30 of the Corporation's consolidated financial statements of fiscal year 2014 for further information on other risks related to financial instruments to which the Corporation is exposed to.

Guarantees and buyback agreements

As at November 29, 2014, the Corporation had guaranteed the reimbursement of certain bank loans contracted by franchisees for a maximum amount of $2.8 million. Most of those guarantees apply to loans with a maturity of up to one year. These loans are also personally guaranteed by the franchisees.

The Corporation has also entered into commitments with financial institutions to buy back the equipment and inventories of some of its franchisees under certain conditions. As at November 29, 2014, financing related to the equipment and inventories buyback agreements were $73.9 million and $152.2 million respectively. Historically, the Corporation has not made any indemnification payments under such agreements and no amounts have been accrued with respect to these guarantees in its November 29, 2014 and March 1, 2014 consolidated financial statements.

8. RELATED PARTY TRANSACTIONS

Franchising activities include transactions with franchised stores controlled by executives with significant influence on the Corporation or close member of these executives' family. The transactions between the Corporation and these enterprises are carried out in the normal course of business and are made under the same terms and conditions as those made with other franchisees.

During the 39-week period ended November 29, 2014, the Corporation paid an amount of $15.2 million for the construction of properties to an entity for which one of the directors and major shareholder is also a director of the Corporation.

As at November 29, 2014, Mr. Jean Coutu had the ultimate control of the Jean Coutu Group (PJC) Inc.

Readers are referred to Note 29 of the Corporation's consolidated financial statements for fiscal year 2014 for further information on related party transactions and for the detail on the key management personnel compensation.

9. CRITICAL ACCOUNTING ESTIMATES

This MD&A is based on the Corporation's consolidated financial statement prepared according to IFRS. The preparation of the consolidated financial statements requires management to make certain judgments, estimates and assumptions, which may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Detailed information on these significant estimates is presented in section 11. "Critical accounting estimates" of the Corporation's MD&A for fiscal year ended March 1, 2014. There were no significant changes in the critical accounting estimates since fiscal year 2014.

10. CHANGES IN ACCOUNTING POLICIES

CHANGES FOR FISCAL YEAR 2015

Financial instruments — Presentation — In December 2011, the IASB issued an amendment to IAS 32, *Financial Instruments: Presentation,* focusing on the meaning of "currently has a legally enforceable right of set-off" and the application of simultaneous realisation and settlement for applying the offsetting requirements. The Corporation has adopted this standard as at March 2, 2014. The adoption of this amendment did not have an impact on the Corporation's consolidated financial statements.

Levies — In May 2013, the IASB has issued the IFRIC 21, Levies, an interpretation on the accounting for levies imposed by governments. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Corporation has adopted this interpretation as at March 2, 2014. The adoption of this interpretation did not have a significant impact on the Corporation's consolidated financial statements.

11. NON-IFRS FINANCIAL MEASURE

Management uses net profit before gains related to the investment in Rite Aid which is not an IFRS measure.

Net profit before gains related to the investment in Rite Aid

Net profit (or net profit per share) before gains related to the investment in Rite Aid is a non-IFRS measure. The Corporation believes that it is useful for investors to be aware of significant items of an unusual or non-recurring nature that have adversely or positively affected its IFRS measures applied by the Corporation, and that the above-mentioned non-IFRS measure provides investors with a performance measure to compare its results between periods with no regards to these items. The Corporation's measure excluding certain items has no standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other corporations. Therefore, it should not be considered in isolation.

Net profit and profit per share are reconciled hereunder to net profit (or net profit per share) before gains related to the investment in Rite Aid. All amounts are net of income taxes when applicable.

	13 weeks		39 weeks	
(unaudited, in millions of dollars, except per share amounts)	**Q3-2015**	Q3-2014	**2015**	2014
	$	$	**$**	$
Net profit	**56.0**	62.5	**163.7**	379.3
Gains on sales of investment in Rite Aid	**-**	-	**-**	(212.7)
Net profit before gains related to the investment in Rite Aid	**56.0**	62.5	**163.7**	166.6
Basic profit per share	**0.30**	0.30	**0.87**	1.79
Gains on sales of investment in Rite Aid	**-**	-	**-**	(1.00)
Net profit per share before gains related to the investment in Rite Aid	**0.30**	0.30	**0.87**	0.79

12. RISKS AND UNCERTAINTIES

The section "Risks and uncertainties" of the MD&A for fiscal year 2014 relates various risks the Corporation faces. Detail and description of those risks did not change since fiscal year 2014.

13. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Corporation's internal control over financial reporting that have materially affected, or are reasonably likely to have materially affected, the Corporation's internal control over financial reporting during the third quarter of fiscal year 2015.

14. STRATEGIES AND OUTLOOK

This section is subject to section 15. "Forward-looking statements disclaimer".

With its operations and financial flexibility, the Corporation is very well positioned to capitalize on the growth in the drugstore retail industry. Demographic trends are expected to contribute to growth in the prescription drugs' consumption and to the increased use of pharmaceuticals as the primary intervention in individual healthcare. Management believes that these trends will continue and that the Corporation will maintain its growth in revenues through differentiation and quality of offering and service levels to its network of franchised stores, with a focus on sales growth, its real estate program and operating efficiency. The growth in the number of generic drugs' prescriptions, with lower selling prices than the branded name drugs, will however have a deflationary impact on retail sales in pharmacy but the volume increase in the generic drugs operating segment will have a positive impact on the consolidated margins.

Moreover, the Corporation will consolidate its operations currently located in Longueuil, including the headquarters and distribution centre, in Varennes, on the south shore of Montreal. The space currently used by the Jean Coutu Group operations, located in Longueuil's industrial park since 1976, can no longer support the needs of the Corporation's growing network. The new facilities, totaling 800,000 square feet, will allow the Corporation to be more efficient and to better serve its network of franchised drugstores. Construction of the new, modern and enlarged facilities has begun during the first quarter of fiscal year 2015. The project represents a total investment of nearly $190.0 million.

15. Forward-Looking Statements Disclaimer

This MD&A contains forward-looking statements that involve risks and uncertainties, and which are based on the Corporation's current expectations, estimates, projections and assumptions that were made by the Corporation in light of its experience and its perception of historical trends. All statements that address expectations or projections about the future, including statements about the Corporation's strategy for growth, costs, operating or financial results, are forward-looking statements. All statements other than statements of historical facts included in this MD&A, including statements regarding the prospects of the Corporation's industry and the Corporation's prospects, plans, financial position and business strategy may constitute forward-looking statements within the meaning of the Canadian securities legislation and regulations. Some of the forward-looking statements may be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "project", "could", "should", "would", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Although the Corporation believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. These statements do not reflect the potential impact of any nonrecurring items or of any mergers, acquisitions, dispositions, asset write-downs or other transactions or charges that may be announced or that may occur after the date hereof. While the list below of cautionary statements is not exhaustive, some important factors that could affect the Corporation's future operating results, financial position and cash flows and could cause its actual results to differ materially from those expressed in these forward-looking statements are changes in the legislation or the regulatory environment as it relates to the sale of prescription drugs and the pharmacy exercise, the success of the Corporation's business model, changes in laws and regulations, or in their interpretations, changes to tax regulations and accounting pronouncements, the cyclical and seasonal variations in the industry in which the Corporation operates, the intensity of competitive activity in the industry in which the Corporation operates, the supplier and brand reputations, the Corporation's ability to attract and retain pharmacists, labour disruptions, including possibly strikes and labour protests, the accuracy of management's assumptions and other factors that are beyond the Corporation's control. These and other factors could cause the Corporation's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied in those forward-looking statements.

Forward-looking statements are provided for the purpose of assisting in understanding the Corporation's financial position and results of operation and to present information about management's current expectations and plans relating to the future. Investors and others are thus cautioned that such statements may not be appropriate for other purposes and they should not place undue reliance on them. For more information on the risks, uncertainties and assumptions that would cause the Corporation's actual results to differ from current expectations, please also refer to the Corporation's public filings available at www.sedar.com and www.jeancoutu.com. In particular, further details and descriptions of these and other factors are disclosed in the Corporation's Annual Information Form under "Risk Factors" and also in the "Critical accounting estimates", "Risks and uncertainties" and "Strategies and outlook" sections of this MD&A. The forward-looking statements in this MD&A reflect the Corporation's expectations as of the date hereof and are subject to change after such date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by the applicable securities laws.

January 8, 2015

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of income

For the periods ended November 29, 2014 and November 30, 2013	13 weeks		39 weeks	
	2014	2013	**2014**	2013
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**$**	$	**$**	$
Sales	**666.6**	642.3	**1,891.8**	1,843.5
Other revenues (Note 4)	**70.1**	70.2	**207.9**	204.4
	736.7	712.5	**2,099.7**	2,047.9
Operating expenses				
Cost of sales (Note 5)	**577.3**	556.3	**1,640.2**	1,602.1
General and operating expenses (Note 5)	**74.6**	68.2	**211.7**	198.8
Operating income before depreciation and amortization	**84.8**	88.0	**247.8**	247.0
Depreciation and amortization	**8.1**	8.1	**24.0**	24.1
Operating income	**76.7**	79.9	**223.8**	222.9
Financing revenus	**(0.1)**	(1.5)	**(0.8)**	(1.8)
Profit before the following items	**76.8**	81.4	**224.6**	224.7
Gains on sales of investment in Rite Aid (Note 8)	**-**	-	**-**	212.7
Profit before income taxes	**76.8**	81.4	**224.6**	437.4
Income taxes (Note 6)	**20.8**	18.9	**60.9**	58.1
Net profit	**56.0**	62.5	**163.7**	379.3
Basic and diluted profit per share, in dollars (Note 7)	**0.30**	0.30	**0.87**	1.79

Condensed consolidated statements of comprehensive income

For the periods ended November 29, 2014 and November 30, 2013	13 weeks		39 weeks	
	2014	2013	**2014**	2013
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Net profit	**56.0**	62.5	**163.7**	379.3
Other comprehensive income, net of taxes of nil				
Items that will be reclassified subsequently to net profit:				
Available-for-sale financial asset:				
Change in fair value (Note 8)	**-**	-	**-**	171.9
Reclassification of gains on sales to net profit (Note 8)	**-**	-	**-**	(212.7)
	-	-	**-**	(40.8)
Total comprehensive income	**56.0**	62.5	**163.7**	338.5

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of changes in equity

For the periods ended November 29, 2014 and November 30, 2013

(unaudited, in millions of Canadian dollars)

	Capital stock	Treasury stock	Contributed surplus	Investment in Rite Aid	Retained earnings	Total equity
	$	$	$	$	$	$
Balance at March 1, 2014	**422.1**	**(3.0)**	**55.1**	**-**	**457.9**	**932.1**
Net profit	**-**	**-**	**-**	**-**	**163.7**	**163.7**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**163.7**	**163.7**
Redemption of capital stock (Note 9)	**(12.7)**	**-**	**-**	**-**	**(42.9)**	**(55.6)**
Dividends	**-**	**-**	**-**	**-**	**(56.5)**	**(56.5)**
Share-based compensation cost	**-**	**-**	**0.7**	**-**	**-**	**0.7**
Options exercised	**3.3**	**-**	**(0.5)**	**-**	**-**	**2.8**
Balance at November 29, 2014	**412.7**	**(3.0)**	**55.3**	**-**	**522.2**	**987.2**
Balance at March 2, 2013	537.1	(2.2)	1.7	40.8	533.4	1,110.8
Net profit	-	-	-	-	379.3	379.3
Other comprehensive income	-	-	-	(40.8)	-	(40.8)
Total comprehensive income	-	-	-	(40.8)	379.3	338.5
Redemption of capital stock (Note 9)	(125.7)	-	-	-	(337.7)	(463.4)
Dividends	-	-	-	-	(148.8)	(148.8)
Share-based compensation cost	-	-	0.7	-	-	0.7
Options exercised	8.0	-	(0.5)	-	-	7.5
Balance at November 30, 2013	419.4	(2.2)	1.9	-	426.2	845.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of financial position

(unaudited, in millions of Canadian dollars)	**As at November 29, 2014** **$**	As at March 1, 2014 $
Current assets		
Cash	**93.5**	74.3
Trade and other receivables	**232.6**	206.9
Inventories	**221.6**	189.8
Prepaid expenses	**7.5**	6.2
	555.2	477.2
Non-current assets		
Long-term receivables from franchisees	**26.5**	23.7
Investment in associates and joint ventures	**15.1**	13.6
Property and equipment	**413.5**	361.1
Investment property	**24.1**	24.7
Intangible assets	**207.8**	202.0
Goodwill	**36.0**	36.0
Deferred tax	**12.5**	11.3
Other long-term assets	**15.3**	15.0
Total assets	**1,306.0**	1,164.6
Current liabilities		
Trade and other payables	**261.6**	209.3
Income taxes payable	**36.9**	4.6
	298.5	213.9
Non-current liabilities		
Deferred tax	**0.7**	1.0
Other long-term liabilities	**19.6**	17.6
Total liabilities	**318.8**	232.5
Equity	**987.2**	932.1
Total liabilities and equity	**1,306.0**	1,164.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of cash flows

For the periods ended November 29, 2014 and November 30, 2013

(unaudited, in millions of Canadian dollars)	**13 weeks 2014**	13 weeks 2013	**39 weeks 2014**	39 weeks 2013
	$	$	**$**	$
Operating activities				
Net profit	**56.0**	62.5	**163.7**	379.3
Adjustments:				
Depreciation and amortization	**8.1**	8.1	**24.0**	24.1
Gains on sales of investment in Rite Aid (Note 8)	**-**	-	**-**	(212.7)
Interest income	**(0.3)**	(1.8)	**(1.2)**	(3.4)
Income taxes	**20.8**	18.9	**60.9**	58.1
Others	**1.2**	0.7	**3.3**	1.4
	85.8	88.4	**250.7**	246.8
Net change in non-cash asset and liability items (Note 10)	**(10.0)**	12.7	**(24.0)**	(14.2)
Interest received	**0.3**	1.8	**1.2**	2.8
Income taxes paid	**(7.4)**	0.2	**(30.1)**	(38.3)
Cash flow related to operating activities	**68.7**	103.1	**197.8**	197.1
Investing activities				
Proceeds from disposal of the investment in Rite Aid	**-**	-	**-**	477.9
Investments in an associate and in a joint venture	**-**	(1.4)	**(1.0)**	(2.7)
Purchase of property and equipment	**(26.7)**	(15.3)	**(47.8)**	(24.5)
Proceeds from disposal of property and equipment	**-**	-	**-**	1.6
Purchase of investment property	**(0.2)**	-	**(1.2)**	(0.2)
Proceeds from disposal of investment property	**-**	-	**1.0**	0.6
Net change in long-term receivables from franchisees	**(0.7)**	0.7	**(5.9)**	0.1
Purchase of intangible assets	**(5.4)**	(6.7)	**(14.2)**	(17.3)
Cash flow related to investing activities	**(33.0)**	(22.7)	**(69.1)**	435.5
Financing activities				
Financing fees	**(0.2)**	(0.3)	**(0.2)**	(0.3)
Issuance of capital stock	**1.8**	0.7	**2.8**	7.5
Redemption of capital stock	**(3.7)**	(407.5)	**(55.6)**	(465.3)
Dividends paid	**(18.8)**	(17.9)	**(56.5)**	(54.1)
Cash flow related to financing activities	**(20.9)**	(425.0)	**(109.5)**	(512.2)
Net change in cash and cash equivalents	**14.8**	(344.6)	**19.2**	120.4
Cash and cash equivalents, beginning of period	**78.7**	463.4	**74.3**	(1.6)
Cash and cash equivalents, end of period	**93.5**	118.8	**93.5**	118.8

The accompanying notes are an integral part of these condensed consolidated financial statements. See supplemental cash flow information in Note 10.

1. General information

The Jean Coutu Group (PJC) Inc. (the "parent corporation") is governed by the Business Corporations Act (Québec). The address of the parent corporation's registered office is 530, Bériault Street, Longueuil, Québec (Canada). The parent corporation and its subsidiaries ("the Corporation") operate 2 operating segments which are the franchising segment with a network of 416 franchised stores as at November 29, 2014 (March 1, 2014 - 413) under the banners of "PJC Jean Coutu", "PJC Clinique", "PJC Jean Coutu Santé" and "PJC Jean Coutu Santé Beauté", and the generic drugs segment through Pro Doc Ltd ("Pro Doc"), a Quebec-based subsidiary, which manufactures generic drugs. These segments are detailed in Note 11.

2. Basis of preparation

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements should be read in conjunction with the Corporation's consolidated annual financial statements for fiscal year ended March 1, 2014 prepared in accordance with International Financial Reporting Standards ("IFRS").

These unaudited condensed consolidated interim financial statements have been prepared based on accounting policies and methods of application consistent with those used in the preparation of the most recently prepared audited annual consolidated financial statements except for the changes in accounting policies detailed in Note 3.

The unaudited condensed consolidated interim financial statements were authorised for issue by the Board of Directors on January 7, 2015.

b) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions, which may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the identification of components of property and equipment and investment property, the classification of property and equipment with a dual-use as well as determining whether the Corporation has control or not over franchised stores to whom financial support is provided.

(Unaudited, tabular amounts are in millions of Canadian dollars, unless otherwise noted)

2. Basis of preparation *(continued)*

b) Use of estimates and judgments *(continued)*

Assumptions and estimation uncertainties that have a significant risk that could result in material adjustment within the next financial year are: impairment of property and equipment, investment property; intangible assets and goodwill; useful lives of property and equipment, investment property and banner development costs; allowances for credit losses and tax provisions; determination of tax rates used for measuring deferred taxes; assumptions underlying the actuarial determination of defined benefit pension obligations; fair value of financial instruments; guarantees and contingencies.

3. Changes in accounting policies

Changes for fiscal year 2015

a) Financial instruments - Presentation

In December 2011, the IASB has issued an amendment to IAS 32, Financial Instruments: Presentation, focusing on the meaning of "currently has a legally enforceable right of set-off" and the application of simultaneous realisation and settlement for applying the offsetting requirements. The Corporation has adopted this amendment as of March 2, 2014. The adoption of this amendment did not have an impact on the Corporation's consolidated financial statements.

b) Levies

In May 2013, the IASB has issued the IFRIC 21, Levies, an interpretation on the accounting for levies imposed by governments. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Corporation has adopted this interpretation as of March 2, 2014. The adoption of this interpretation did not have a significant impact on the Corporation's consolidated financial statements.

4. Other revenues

	13 weeks		**39 weeks**	
	2014	2013	**2014**	2013
	$	$	**$**	$
Royalties	**30.0**	30.2	**87.4**	88.5
Rent	**24.5**	23.8	**72.6**	70.3
Sundry	**15.6**	16.2	**47.9**	45.6
	70.1	70.2	**207.9**	204.4

5. Cost of sales and general and operating expenses

	13 weeks		39 weeks	
	2014	2013	**2014**	2013
	$	$	**$**	$
Wages, salaries and fringe benefits	**30.7**	25.5	**83.4**	76.4
Operating leases expenses	**15.1**	14.8	**45.1**	43.3
Other goods and services	**28.8**	27.9	**83.2**	79.1
General and operating expenses	**74.6**	68.2	**211.7**	198.8

No significant cost other than the cost of inventories is included in the cost of sales.

6. Income taxes

For the 13- and 39-week periods ended November 29, 2014, the consolidated effective tax rates were 27.1% (23.2% and 13.3% for the 13- and 39-week periods ended November 30, 2013, repectively). For the 13- and 39-week periods ended November 30, 2013, an amount of $3.2 million of tax provision was reversed in profit or loss in accordance to the progress of the processes of tax audits and relevant jurisprudence. Furthermore, for the 39-week period ended November 30, 2013 the change in effective tax rate is mainly attributable to the impact of the difference between the carrying and the tax base amounts of the investment in Rite Aid for which no deferred tax asset had been recorded. Therefore no income taxes were recorded in respect to the gains related to the investment in Rite Aid during the 39-week period ended November 30, 2013.

7. Profit per share

The calculation of profit per share and the reconciliation of the number of shares used to calculate the diluted profit per share are established as follows:

	13 weeks		39 weeks	
	2014	2013	**2014**	2013
Net profit	**$ 56.0**	$ 62.5	**$ 163.7**	$ 379.3
Weighted average number of shares (in millions) used to compute basic profit per share	**186.6**	209.4	**188.0**	211.6
Basic profit per share, in dollars	**$ 0.30**	$ 0.30	**$ 0.87**	$ 1.79
Weighted average number of shares (in millions) used to compute diluted profit per share	**186.8**	209.6	**188.2**	211.8
Diluted profit per share, in dollars	**$ 0.30**	$ 0.30	**$ 0.87**	$ 1.79

For the 13- and 39-week periods ended November 29, 2014, no antidilutive share-based payments instruments have been excluded from the computation of diluted profit per share (40,000 and 73,000 were excluded for the 13- and 39-week periods ended November 30, 2013).

8. Investment in Rite Aid

During the 39-week period ended November 30, 2013, the Corporation, in accordance with the provisions of Rule 144 under the U.S. Securities Act of 1933, disposed its remaining shares of Rite Aid, or 178,401,162 common shares. These shares were sold at an average price of US$2.60 per share for a net proceed of $477.9 million (US$461.4 million). Therefore, a $212.7 million gain (including a favorable cumulative currency translation adjustment of $17.2 million) was reclassified from the consolidated statement of comprehensive income to the consolidated statement of income of the Corporation during the 39-week period ended November 30, 2013. The increase in fair value of the investment in Rite Aid recorded in the Corporation's consolidated statement of comprehensive income for the 39-week period ended November 30, 2013 totaled $171.9 million. As at March 1, 2014 and November 29, 2014, the Corporation no longer owned any share in Rite Aid.

9. Capital stock

a) Shares issued

As at November 29, 2014, the total number of Class "A" subordinate voting shares issued was 82.9 million (85.2 million as of March 1, 2014) and the number of Class "B" shares was 104.0 million (104.0 million as of March 1, 2014) for a total of 186.9 million shares issued (189.2 million as of March 1, 2014).

b) Substantial issuer bid

On October 8, 2013, the Corporation announced an offer to repurchase for cancellation up to 22,000,000 Class "A" subordinate voting shares of the Corporation at a price of $18.50 per share (the "Offer"). In accordance with the Offer, the Corporation repurchased 22,000,000 Class "A" subordinate voting shares at a price of $18.50 per share for a total consideration of $407.5 million including related costs during the 13- and 39-week periods ended November 30, 2013. An amount of $299.8 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings for the 13- and 39-week periods ended November 30, 2013.

c) Repurchase under the normal course issuer bid

On April 30, 2014, the Corporation announced its intention to repurchase for cancellation, if it is considered advisable, up to 8,190,000 of its outstanding Class "A" subordinate voting shares, representing approximately 10% of the current public float of such shares, over a 12-month period ending no later than May 6, 2015. The shares were or will be repurchased through the facilities of the Toronto Stock Exchange (the "TSX") and in accordance with its requirements.

9. Capital stock *(continued)*

c) Repurchase under the normal course issuer bid *(continued)*

On May 1, 2013, the Corporation announced its intention to repurchase for cancellation up to 8,917,000 of its outstanding Class "A" subordinate voting shares, representing approximately 10% of the current public float of such shares, over a 12-month period ending no later than May 6, 2014. During the term of this normal course issuer bid, 4,019,000 shares have been repurchased and cancelled through the facilities of the TSX and in accordance with its requirements.

For the 13-week period ended November 29, 2014, the Corporation did not repurchase any Class "A" subordinate voting shares. For the 39-week period ended November 29, 2014, the Corporation repurchased under its normal course issuer bid 2,574,100 Class "A" subordinate voting shares at the average price of $21.62 per share for a total consideration of $55.6 million including related costs. Amount of $42.9 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings for the 39-week period ended November 29, 2014. The shares repurchased during the 39-week period ended November 29, 2014 were cancelled during that period.

For the 13-week period ended November 30, 2013, the Corporation did not repurchase any Class "A" subordinate voting shares. For the 39-week period ended November 30, 2013, the Corporation repurchased under its normal course issuer bid 3,344,100 Class "A" subordinate voting shares at the average price of $16.71 per share for a total consideration of $55.9 million including related costs. Amount of $37.9 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings for the 39-week period ended November 30, 2013. The shares repurchased during the 39-week period ended November 30, 2013 were cancelled during that period.

d) Exercise of exchange privilege

On August 14, 2013, the Corporation issued 10,385,000 Class "A" subordinate voting shares, due to the exercise of exchange privilege of 10,385,000 Class "B" shares against Class "A" subordinate voting shares on the basis of one Class "A" subordinate voting share for each Class "B" share exchanged.

e) Special dividend

On October 8, 2013, the Corporation’s Board of Director approved a special cash dividend of $0.50 per Class “A” subordinate voting share and per Class “B” share of the Corporation. This special dividend was paid on December 2, 2013 to all shareholders listed in the Corporation’s shareholder ledger on November 25, 2013.

(Unaudited, tabular amounts are in millions of Canadian dollars, unless otherwise noted)

10. Supplemental cash flow information

	13 weeks		39 weeks	
	2014	2013	**2014**	2013
	$	$	**$**	$
Net change in non-cash asset and liability items				
Change in trade and other receivables and prepaid expenses	**(33.8)**	(28.6)	**(27.0)**	(22.4)
Change in inventories	**(13.5)**	1.9	**(31.8)**	(8.4)
Change in trade and other payables	**35.2**	38.6	**32.6**	16.3
Change in other long-term assets	**(0.3)**	0.1	**(0.4)**	(1.4)
Change in other long-term liabilities	**2.4**	0.7	**2.6**	1.7
Net change in non-cash asset and liability items	**(10.0)**	12.7	**(24.0)**	(14.2)

Other information

	As at November 29, 2014	As at March 1, 2014
	$	$
Property and equipment, investment property and intangible assets acquired included in trade and other payables	**23.2**	3.5

(Unaudited, tabular amounts are in millions of Canadian dollars, unless otherwise noted)

11. Segmented information

The Corporation has two reportable operating segments: franchising and generic drugs. Within the franchising segment, the Corporation carries on the franchising activity under the banners of PJC Jean Coutu, PJC Clinique, PJC Jean Coutu Santé and PJC Jean Coutu Santé Beauté, operates two distribution centres and coordinates several other services for the benefit of its franchisees. Within the generic drugs segment, the Corporation owns Pro Doc, a Canadian manufacturer of generic drugs, whose revenues come from the sale of generic drugs to wholesalers and pharmacists. Both reportable operating segments of the Corporation are in the Canadian geographic area.

	13 weeks		39 weeks	
	2014	2013	**2014**	2013
	$	$	**$**	$
Revenues [1]				
Franchising	**736.3**	711.2	**2,097.2**	2,045.9
Generic drugs	**45.0**	44.2	**131.5**	118.2
Intersegment sales	**(44.6)**	(42.9)	**(129.0)**	(116.2)
	736.7	712.5	**2,099.7**	2,047.9
Operating income before depreciation and amortization				
Franchising	**62.5**	66.4	**180.7**	189.0
Generic drugs	**23.6**	26.6	**71.3**	66.2
Intersegment eliminations	**(1.3)**	(5.0)	**(4.2)**	(8.2)
	84.8	88.0	**247.8**	247.0
Depreciation and amortization				
Franchising	**8.0**	8.1	**23.7**	23.9
Generic drugs	**0.1**	-	**0.3**	0.2
	8.1	8.1	**24.0**	24.1
Operating income				
Franchising	**54.5**	58.3	**157.0**	165.1
Generic drugs	**23.5**	26.6	**71.0**	66.0
Intersegment eliminations	**(1.3)**	(5.0)	**(4.2)**	(8.2)
	76.7	79.9	**223.8**	222.9

[1] Revenues include sales and other revenues.

(Unaudited, tabular amounts are in millions of Canadian dollars, unless otherwise noted)

11. Segmented information *(continued)*

	13 weeks		39 weeks	
	2014	2013	**2014**	2013
	$	$	**$**	$
Acquisition of property and equipment, investment property and intangible assets				
Franchising	**42.1**	22.6	**82.6**	42.7
Generic drugs	**0.1**	0.2	**0.3**	0.5
	42.2	22.8	**82.9**	43.2

	As at November 29, 2014	As at March 1, 2014
	$	$
Total assets		
Franchising	**1,329.3**	1,177.1
Generic drugs	**46.4**	48.2
Intersegment eliminations	**(69.7)**	(60.7)
	1,306.0	1,164.6
Total liabilities		
Franchising	**327.4**	227.2
Generic drugs	**27.5**	34.2
Intersegment eliminations	**(36.1)**	(28.9)
	318.8	232.5

12. Commitments related to property and equipment

During the 39-week period ended November 29, 2014, the Corporation has signed various agreements for the acquisition and construction of property and equipment totaling $116.6 million. Of this amount, the Corporation acquired for $48.7 million of property and equipment during the 39-week period ended November 29, 2014, including $15.2 million from an entity for which one of the directors and major shareholder is also a director of the Corporation. These commitments are payable during the fiscal years ending February 28, 2015 and February 27, 2016.

13. Event after reporting period

On December 3, 2014, the Corporation cancelled $250.0 million of the $500.0 million aggregate amount available under the unsecured revolving credit facility, which was not drawn by the Corporation on that date, in order to reduce standby fees.

Under the facility credit agreement, the Corporation may, under certain circumstances and subject to receipt of additional commitments from existing lenders or other eligible institutions, request increases to the credit facility up to an aggregate amount, together with all then-existing commitments, of $750.0 million.

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