The Jean Coutu Group (PJC) Inc.

Trades under the symbol (TSX): PJC.A

Press release
For immediate release

THE JEAN COUTU GROUP – SECOND QUARTER OF FISCAL YEAR 2015 RESULTS

Longueuil, Québec, October 8, 2014 - The Jean Coutu Group (PJC) Inc. (the "Corporation" or the "Jean Coutu Group") reported today its financial results for the quarter ended August 30, 2014.

SUMMARY OF RESULTS

(Unaudited, in millions of Canadian dollars, except per share amounts)

	Second quarter		First half	
	2015	2014	**2015**	2014
	$	$	**$**	$
Revenues	**674.4**	653.8	**1,363.0**	1,335.4
Operating income before amortization ("OIBA")	**81.0**	77.2	**163.0**	159.0
Gains related to the investment in Rite Aid	**-**	158.3	**-**	212.7
Net profit	**53.6**	208.2	**107.7**	316.8
Per share	**0.28**	0.99	**0.57**	1.49
Net profit before gains related to the investment in Rite Aid (1)	**53.6**	49.9	**107.7**	104.1
Per share	**0.28**	0.24	**0.57**	0.49

(1) See the "Non-IFRS financial measure" section.

HIGHLIGHTS

- Net profit per share before gains related to the investment in Rite Aid amounted to $0.28 during the second quarter of fiscal year 2015 compared with $0.24 for the same period of the previous fiscal year, a 16.7% increase.
- Operating income before amortization ("OIBA") increased by 4.9% for the second quarter of fiscal year 2015, despite the deflationary impact on pharmacy sales of a strong generic drugs penetration.
- Repurchase of 2,574,100 outstanding class "A" subordinate voting shares at an average price of $21.62 per share during the second quarter of fiscal year 2015.
- The Corporation extended its $500 million credit facility maturity date by 1 year to November 2019.

Financial results

"We are very satisfied with the results of the second quarter of fiscal 2015 realized in spite of a restrictive regulatory context and an environment that is growingly competitive. Our performance demonstrates the strength of our business plan," said the President and Chief Executive Officer, Mr. François J. Coutu. "We are confident that the effective implementation of our strategies and the commitment of our affiliated pharmacist owners and of their employees will allow us to pursue our growth and remain the leader in our sector."

Revenues

Revenues consist mainly of sales and other revenues derived from franchising activities. Merchandise sales to PJC franchisees made mostly through our distribution centres account for the greater part of our revenues.

Revenues amounted to $674.4 million during the quarter ended August 30, 2014, compared with $653.8 million for the quarter ended August 31, 2013. During the first half of fiscal year 2015, revenues amounted to $1,363.0 million compared with 1,335.4 million for the same period of the previous fiscal year, an increase of 2.1%. This increase is attributable to overall market growth and the expansion of the PJC network of franchised stores despite the deflationary impact on revenues of the volume increase in prescriptions of generic drugs compared with brand name drugs as well as the price reductions of generic drugs.

OIBA

OIBA increased by $3.8 million to $81.0 million during the quarter ended August 30, 2014 compared with $77.2 million for the quarter ended August 31, 2013. This increase is mainly attributable to the solid operational performance of the generic drugs segment as well as of the franchising activities. OIBA as a percentage of revenues ended the second quarter of fiscal year 2015 at 12.0% compared with 11.8% for the same quarter of the previous fiscal year.

For the first half of fiscal year 2015, the Corporation's OIBA increased by $4.0 million amounting to $163.0 million compared with $159.0 million for the same period of fiscal year 2014. As a percentage of revenues, OIBA ended the first semester of 2015 at 12.0% compared with 11.9% for the same period of the previous fiscal year.

Pro Doc

Gross sales of Pro Doc drugs, net of intersegment eliminations, amounted to $48.1 million during the quarter ended August 30, 2014, compared with $44.6 million for the quarter ended August 31, 2013. Pro Doc's contribution to the consolidated OIBA amounted to $22.1 million during the quarter ended August 30, 2014, compared with $19.0 million for the quarter ended August 31, 2013. Pro Doc's contribution to the consolidated OIBA as a percentage of gross sales, net of intersegment eliminations, ended the second quarter of fiscal year 2015 at 45.9% compared with 42.6% for the same period of the previous fiscal year.

Gross sales of Pro Doc drugs, net of intersegment eliminations, amounted to $96.4 million during the first half of fiscal year 2015, compared with $90.3 million for the same period of fiscal year 2014. Pro Doc's contribution to the consolidated OIBA amounted to $44.8 million during the first half of fiscal year 2015, compared with $36.4 million for the same period of fiscal year 2014. Pro Doc's contribution to the consolidated OIBA as a percentage of its gross sales, net of intersegment eliminations, ended the first semester of fiscal year 2015 at 46.5% compared with 40.3% for the same period of the previous fiscal year.

Net profit

Net profit amounted to $53.6 million ($0.28 per share) during the quarter ended August 30, 2014 compared with $208.2 million ($0.99 per share) for the quarter ended August 31, 2013. The decrease in net profit is mainly attributable to the gain of $158.3 million related to the investment in Rite Aid recognized during the second quarter of fiscal year 2014. Net profit before gains related to the investment in Rite Aid amounted to $49.9 million ($0.24 per share) for the second quarter of fiscal year 2014.

Net profit during the first half of fiscal year 2015 amounted to $107.7 million ($0.57 per share) compared with $316.8 million ($1.49 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 first half of fiscal year 2014. Net profit before gains related to the investment in Rite Aid amounted to $104.1 million ($0.49 per share) for the first half of fiscal year 2014.

Information on the PJC network of franchised stores

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.

During the quarter ended August 30, 2014, on a same-store basis, the PJC network's retail sales increased by 2.4%, pharmacy sales increased by 2.7% and front-end sales increased by 1.6%, compared with the corresponding period last year. Sales of non-prescription drugs, which represented 8.3% of total retail sales, increased by 1.0% whereas these sales had increased by 1.4% for the corresponding period of fiscal year 2014.

During the first half of fiscal year 2015, on a same store basis, the PJC network's retail sales grew by 1.3%, pharmacy sales increased by 1.5% and front-end sales increased by 0.5%, compared with the same period last year. Sales of non-prescription drugs, which represented 8.5% of total retail sales, increased by 0.4% whereas these sales had increased by 2.5% for the same period of fiscal year 2014.

Generic drugs reached 68.1% of prescriptions during the second quarter of fiscal year 2015 compared with 67.2% of prescriptions for the comparable period of the previous fiscal year. The increase in the number of generic drugs prescriptions with lower selling prices than brand name drugs had a deflationary impact on the pharmacy's retail sales. For the second quarter of fiscal year 2015 the introduction of new generic drugs reduced pharmacy's retail sales growth by 0.4% and price reductions of generic drugs reduced the growth of those sales by 0.6%.

	Second quarter		**First half**	
Network performance (1) *(unaudited)*	**2015**	2014	**2015**	2014
Retail sales *(in millions of dollars)*	**$1,007.8**	979.8$	**$2,026.0**	$1,990.0
Retail sales growth *(in percentage)*				
Total stores				
Total	**2.9%**	0.4%	**1.8%**	0.8%
Pharmacy	**3.1%**	0.1%	**2.0%**	0.3%
Front-end (2)	**2.1%**	1.1%	**1.2%**	1.6%
Same store				
Total	**2.4%**	(0.1)%	**1.3%**	0.3%
Pharmacy	**2.7%**	(0.5)%	**1.5%**	(0.3)%
Front-end (2)	**1.6%**	0.5%	**0.5%**	1.0%
Prescriptions growth *(in percentage)*				
Total stores	**3.9%**	4.9%	**4.0%**	4.9%
Same store	**3.5%**	4.4%	**3.6%**	4.4%

(1) Franchised outlets' retail sales are not included in the Corporation's consolidated financial statements.

(2) Front-end retail sales exclude sales of services which are included in the total retail sales growth.

PJC network of franchised stores expansion

During the second quarter of fiscal year 2015, there were 2 openings in the PJC network of franchised stores. Also, 4 stores were significantly renovated or expanded.

As at August 30, 2014, total selling square footage of the PJC network amounted to 3,137,000 square feet compared with 3,066,000 square feet as at August 31, 2013.

Financing activities

On April 30, 2014, the Corporation announced its intention to repurchase for cancelation under a normal course issuer bid, when it is considered advisable, up to 8,190,000 of its outstanding Class "A" Subordinate Voting Shares.

During the second quarter and the first half of fiscal year 2015, the Corporation repurchased 2,574,100 Class "A" subordinate Voting Shares at an average price of $21.62 per share for a total consideration of $55.6 million including related costs. An 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 quarter and semester ended

August 30, 2014. The shares repurchased during the first half of fiscal year 2015 were canceled during this period except for 165,600 shares that were cancelled after August 30, 2014.

Furthermore, the Corporation extended its $500 million credit facility maturity date by 1 year to November 2019. All other terms and conditions of the credit agreement remained unchanged.

Dividend

The Board of the Jean Coutu Group declared a quarterly dividend of $0.10 per share. This dividend will be paid on November 7, 2014, to all holders of Class "A" Subordinate Voting Shares and holders of Class "B" Shares listed in the Corporation's shareholder ledger as at October 24, 2014.

Strategies and outlook

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 the growth in 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.

Conference call

Financial analysts and investors are invited to attend the conference call on the second quarter of fiscal year 2015 financial results to be held on October 8, 2014, at 9:00 AM (ET). The call-in number is 514-861-2255 or toll free at 1-877-695-6175, access code 5225932 followed by pound sign (#). Media and other interested individuals are invited to listen to the live or deferred broadcast on The Jean Coutu Group corporate website at www.jeancoutu.com. A full replay will also be available by dialling 514-861-2272 or toll free at 1-800-408-3053 until November 8, 2014. The access code is 8591460 followed by pound sign (#).

Supporting documentation (Management's discussion and analysis and investor presentation) is available at www.jeancoutu.com using the investors' link. Readers may also access additional information and filings related to the Corporation using the following link to the www.sedar.com website.

About The Jean Coutu Group

The Jean Coutu Group is one of the most trusted names in Canadian pharmacy retailing. 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 Santé and PJC 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 press release 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 press release, 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.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 the Corporation's annual management's discussion and analysis. The forward-looking statements in this press release 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.

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THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of income

For the periods ended August 30, 2014 and August 31, 2013	13 weeks 2014	13 weeks 2013	26 weeks 2014	26 weeks 2013
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**$**	$	**$**	$
Sales	**605.6**	587.2	**1,225.2**	1,201.2
Other revenues	**68.8**	66.6	**137.8**	134.2
	674.4	653.8	**1,363.0**	1,335.4
Operating expenses				
Cost of sales	**528.3**	511.8	**1,062.9**	1,045.8
General and operating expenses	**65.1**	64.8	**137.1**	130.6
Operating income before depreciation and amortization	**81.0**	77.2	**163.0**	159.0
Depreciation and amortization	**7.9**	8.0	**15.9**	16.0
Operating income	**73.1**	69.2	**147.1**	143.0
Financing expenses (revenus)	**(0.4)**	0.3	**(0.7)**	(0.3)
Profit before the following items	**73.5**	68.9	**147.8**	143.3
Gains on sales of investment in Rite Aid	**-**	158.3	**-**	212.7
Profit before income taxes	**73.5**	227.2	**147.8**	356.0
Income taxes	**19.9**	19.0	**40.1**	39.2
Net profit	**53.6**	208.2	**107.7**	316.8
Basic profit per share, in dollars	**0.28**	0.99	**0.57**	1.49
Diluted profit per share, in dollars	**0.28**	0.98	**0.57**	1.49

Condensed consolidated statements of comprehensive income

For the periods ended August 30, 2014 and August 31, 2013	13 weeks 2014	13 weeks 2013	26 weeks 2014	26 weeks 2013
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Net profit	**53.6**	208.2	**107.7**	316.8
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	**-**	(5.9)	**-**	171.9
Reclassification of gains on sales to net profit	**-**	(158.3)	**-**	(212.7)
	-	(164.2)	**-**	(40.8)
Total comprehensive income	**53.6**	44.0	**107.7**	276.0

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of changes in equity

For the periods ended August 30, 2014 and August 31, 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	**-**	**-**	**-**	**-**	**107.7**	**107.7**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**107.7**	**107.7**
Redemption of capital stock	**(12.7)**	**-**	**-**	**-**	**(42.9)**	**(55.6)**
Dividends	**-**	**-**	**-**	**-**	**(37.7)**	**(37.7)**
Share-based compensation cost	**-**	**-**	**0.4**	**-**	**-**	**0.4**
Options exercised	**1.1**	**-**	**(0.1)**	**-**	**-**	**1.0**
Balance at August 30, 2014	**410.5**	**(3.0)**	**55.4**	**-**	**485.0**	**947.9**
Balance at March 2, 2013	537.1	(2.2)	1.7	40.8	533.4	1,110.8
Net profit	-	-	-	-	316.8	316.8
Other comprehensive income	-	-	-	(40.8)	-	(40.8)
Total comprehensive income	-	-	-	(40.8)	316.8	276.0
Redemption of capital stock	(18.0)	-	-	-	(37.9)	(55.9)
Dividends	-	-	-	-	(36.2)	(36.2)
Share-based compensation cost	-	-	0.5	-	-	0.5
Options exercised	7.3	-	(0.5)	-	-	6.8
Balance at August 31, 2013	526.4	(2.2)	1.7	-	776.1	1,302.0

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of financial position

(unaudited, in millions of Canadian dollars)	**As at August 30, 2014** $	As at March 1, 2014 $
Current assets		
Cash	**78.7**	74.3
Trade and other receivables	**197.7**	206.9
Inventories	**208.1**	189.8
Prepaid expenses	**8.6**	6.2
	493.1	477.2
Non-current assets		
Long-term receivables from franchisees	**26.7**	23.7
Investment in associates and joint ventures	**15.0**	13.6
Property and equipment	**382.0**	361.1
Investment property	**24.3**	24.7
Intangible assets	**205.2**	202.0
Goodwill	**36.0**	36.0
Deferred tax	**12.1**	11.3
Other long-term assets	**14.9**	15.0
Total assets	**1,209.3**	1,164.6
Current liabilities		
Trade and other payables	**220.2**	209.3
Income taxes payable	**23.0**	4.6
	243.2	213.9
Non-current liabilities		
Deferred tax	**0.8**	1.0
Other long-term liabilities	**17.4**	17.6
Total liabilities	**261.4**	232.5
Equity	**947.9**	932.1
Total liabilities and equity	**1,209.3**	1,164.6

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of cash flows

For the periods ended August 30, 2014 and August 31, 2013	13 weeks		26 weeks	
	2014	2013	**2014**	2013
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Operating activities				
Net profit	**53.6**	208.2	**107.7**	316.8
Adjustments:				
Depreciation and amortization	**7.9**	8.0	**15.9**	16.0
Gains on sales of investment in Rite Aid	**-**	(158.3)	**-**	(212.7)
Interest income	**(0.5)**	(1.2)	**(0.9)**	(1.6)
Income taxes	**19.9**	19.0	**40.1**	39.2
Others	**0.9**	0.2	**2.1**	0.7
	81.8	75.9	**164.9**	158.4
Net change in non-cash asset and liability items	**(18.5)**	(20.1)	**(14.0)**	(26.9)
Interest received	**0.6**	0.9	**0.9**	1.0
Income taxes paid	**(7.6)**	(19.8)	**(22.7)**	(38.5)
Cash flow related to operating activities	**56.3**	36.9	**129.1**	94.0
Investing activities				
Proceeds from disposal of the investment in Rite Aid	**-**	315.8	**-**	477.9
Investments in an associate and in a joint venture	**-**	(1.3)	**(1.0)**	(1.3)
Purchase of property and equipment	**(12.4)**	(4.7)	**(21.1)**	(9.2)
Proceeds from disposal of property and equipment	**-**	1.6	**-**	1.6
Purchase of investment property	**(1.0)**	-	**(1.0)**	(0.2)
Proceeds from disposal of investment property	**1.0**	0.6	**1.0**	0.6
Net change in long-term receivables from franchisees	**(3.8)**	(0.3)	**(5.2)**	(0.6)
Purchase of intangible assets	**(7.6)**	(10.6)	**(8.8)**	(10.6)
Cash flow related to investing activities	**(23.8)**	301.1	**(36.1)**	458.2
Financing activities				
Issuance of capital stock	**0.5**	5.1	**1.0**	6.8
Redemption of capital stock	**(51.9)**	(47.0)	**(51.9)**	(57.8)
Dividends paid	**(18.8)**	(18.0)	**(37.7)**	(36.2)
Cash flow related to financing activities	**(70.2)**	(59.9)	**(88.6)**	(87.2)
Net change in cash and cash equivalents	**(37.7)**	278.1	**4.4**	465.0
Cash and cash equivalents, beginning of period	**116.4**	185.3	**74.3**	(1.6)
Cash and cash equivalents, end of period	**78.7**	463.4	**78.7**	463.4

THE JEAN COUTU GROUP (PJC) INC.

Unaudited additional informations

For the periods ended August 30, 2014 and August 31, 2013

(in millions of Canadian dollars, except per share amounts)

Non-IFRS financial measure

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 the IFRS measures applied by the Corporation, and that the above-mentioned non-IFRS measure provides investors with a performance measure to compare the 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 basic 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		26 weeks	
	2014	2013	**2014**	2013
	$	$	**$**	$
Net profit	**53.6**	208.2	**107.7**	316.8
Gains on sales of investment in Rite Aid	**-**	(158.3)	**-**	(212.7)
Net profit before gains related to the investment in Rite Aid	**53.6**	49.9	**107.7**	104.1
Basic profit per share	**0.28**	0.99	**0.57**	1.49
Gains on sales of investment in Rite Aid	**-**	(0.75)	**-**	(1.00)
Net profit per share before gains related to the investment in Rite Aid	**0.28**	0.24	**0.57**	0.49