The Jean Coutu Group (PJC) Inc.

Trades under the symbol (TSX): PJC.A

Press release
For immediate release

THE JEAN COUTU GROUP – FIRST QUARTER FISCAL YEAR 2010 RESULTS

- **Reports Operating income before amortization ("OIBA") of $64.7 million for the first quarter, an increase of 18.9% compared to the first quarter of fiscal year 2009**

Longueuil, Québec, July 7, 2009 - The Jean Coutu Group (PJC) Inc. (the "Company" or the "Jean Coutu Group") reported its financial results today for the first quarter of fiscal year 2010 ended May 30, 2009.

SUMMARY OF RESULTS

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

	Q1-2010	Q1-2009
	$	$
Revenues	**619.3**	574.3
Operating income before amortization ("OIBA")	**64.7**	54.4
Share of loss in Rite Aid Corporation ("Rite Aid")	**30.9**	53.4
Net earnings (loss)	**10.3**	(20.2)
Per share	**0.04**	(0.08)
Earnings before specific items and the share of loss in Rite Aid	**38.5**	33.2
Per share	**0.16**	0.13

HIGHLIGHTS

- Revenues increased by 7.8% during the first quarter of fiscal year 2010 compared with the same period last year.
- OIBA increased by 18.9% during the first quarter of fiscal year 2010 compared with the same period last year.
- Earnings before specific items and the share of loss in Rite Aid increased by 16% during the first quarter of fiscal year 2010 compared with the first quarter of fiscal year 2009.

Financial results

"We are very satisfied with our first quarter's results. Our organisation showed a solid operating performance as well as a sustained growth in its network's retail sales. We have reached our objectives in spite of the economic conditions that prevailed during this quarter" said François J. Coutu, President and Chief Executive Officer. "We remain confident in our ability to pursue our growth. We intend to maintain the rhythm of our network's expansion and renovation projects and the development of our product offering."

Revenues

Revenues consist of sales plus other revenues derived from franchising activities in Canada. Merchandise sales to PJC franchisees through our distribution centres account for most of our sales.

Revenues amounted to $619.3 million during the quarter ended May 30, 2009, compared with $574.3 million during the quarter ended May 31, 2008. This increase is mainly attributable to the expansion of the Jean Coutu Group network of franchised stores.

Other revenues amounted to $59.7 million during the first quarter of fiscal year 2010 compared with $57.6 million during the first quarter of fiscal year 2009. This increase is attributable to the increase in rental revenues and other services resulting from the expansion of the Jean Coutu Group network of franchised stores.

OIBA

OIBA increased by $10.3 million and amounted to $64.7 million for the first quarter of fiscal year 2010 compared with $54.4 million for the first quarter of fiscal year 2009. The increase in OIBA is mostly attributable to a strong operational performance in the franchising activities and of the subsidiary, Pro Doc. The introduction of new products in the offering of Pro Doc combined with the increased purchasing from Quebec pharmacists allowed this subsidiary to grow sales, net of intercompany's eliminations, to $19.2 million in the quarter compared to $2.3 million in the first quarter of fiscal year 2009.

OIBA as a percentage of revenues ended the first quarter of fiscal year 2010 at 10.4% compared to 9.5% for the first quarter of the previous fiscal year.

Share of loss from Rite Aid

The share of loss from Rite Aid included in the Company's earnings during the first quarter of fiscal year 2010 amounted to $30.9 million ($0.13 per share) compared with $53.4 million ($0.21 per share) during the first quarter of fiscal year 2009.This is a non-cash charge.

As at May 30, 2009, the carrying value of the investment in Rite Aid is $22.6 million. If, in the future, the Company's share of loss in Rite Aid exceeds the carrying value of the investment, the Company would reduce the carrying value of its investment down to zero and would cease recording its share of loss in Rite Aid as required by Canadian GAAP, since the Company has not guaranteed obligations of Rite Aid and is not committed to provide further financial support to Rite Aid.

Net earnings (loss)

For the first quarter ended May 30, 2009, the net earnings amounted to $10.3 million ($0.04 per share) compared with a net loss of $20.2 million ($0.08 per share) for the first quarter ended May 31, 2008.

Earnings before specific items and the share of loss in Rite Aid amounted to $38.5 million ($0.16 per share) during the first quarter of fiscal year 2010 compared with $33.2 million ($0.13 per share) during the first quarter of the previous fiscal year.

Information on the Jean Coutu Group network of franchised stores
Our franchising activities include operating two distribution centres and providing services to our network of PJC franchised stores.

Retail sales increase reflects overall market growth and openings, renovations and relocations of network stores. Data on the growth included herewith was calculated based on comparable periods. During the first quarter of fiscal year 2010, on a same-store basis, PJC network retail sales grew 3.9%, pharmacy sales gained 5.7% and front-end sales increased by 1.2% compared with the same period last year.

Network performance [1]	**Q1-2010**	Q1-2009
Retail sales *(in millions of dollars)*	**$883.9**	$828.1
Retail sales growth *(in %)*		
Total stores		
Total	**6.7%**	5.1%
Pharmacy	**8.7%**	7.3%
Front-end	**3.7%**	1.4%
Same store		
Total	**3.9%**	4.2%
Pharmacy	**5.7%**	6.6%
Front-end	**1.2%**	0.3%

[1] *Franchised outlets' retail sales are not included in the Company's consolidated financial statements.*

Store network development
During the first quarter of fiscal year 2010, there were 7 store openings, including 2 relocations, in the PJC network of franchised stores. In addition, 13 stores were significantly renovated or expanded.

Third party asset-backed commercial paper ("ABCP")
As at May 30, 2009, the ABCP are accounted for at their fair value, which was $17.7 million ($21.8 million as at February 28, 2009). For the 13-week period ended May 30, 2009, the change in fair value of third party ABCP of $1.9 million consists of a gain on options to repay drawdowns of credit facilities with restructured notes of $3.4 million and of a loss in value of $1.5 million (no change in fair value for the 13-week period ended May 31, 2008). The total loss in value recorded was $15.6 million as at May 30, 2009, representing 47 % of the ABCP's nominal value. The Company received $2.4 million in principal repayments on its ABCP.

On May 28, 2009, the Company entered into revolving credit facilities in a total amount of $17.6 million (of which $0.5 million is denominated in US dollars) and maturing between May 28, 2011 and May 28, 2012. Borrowings under the credit facilities bear interest at the Canadian prime rate plus a variable margin or at banker acceptance rate plus a variable margin, and the credit facilities may be renewed for periods of 12 consecutive months until reaching a total term of 7 years. These credit facilities include options that allow the Company to use the restructured notes to repay the drawdowns as they become due, under certain conditions.

The Company assessed and accounted these options to repay drawdowns with restructured notes at fair value under other long-term assets. The corresponding initial gain of $3.4 million has been recognized in net earnings under change in fair value of third party asset-backed commercial paper. The options will be accounted at fair value at each balance sheet date and any change in fair value of the options will be recorded in net earnings under change in fair value of third party asset-backed commercial paper. As at May 30, 2009, none of these credit facilities were used.

Dividend
The Board of the Jean Coutu Group declared a quarterly dividend of $0.045 per share. This dividend will be payable on August 7, 2009, to all holders of Class A subordinate voting shares and holders of Class B shares listed in the Company's shareholder ledger as of July 24, 2009.

Non-GAAP financial measures
This press release contains certain financial measures that are not defined by the Canadian generally accepted accounting principles ("GAAP"). These measures have been reconciled with generally accepted accounting principles in the related section of this press release.

Outlook
With its operations and financial flexibility, the Company is very well positioned to capitalize on the growth in the drugstore retail industry. Demographic trends are expected to contribute to growth in the consumption of prescription drugs and to the increased use of pharmaceuticals as the primary intervention in individual healthcare. Management believes that these trends will continue despite the current economic slowdown, and that the Company will grow its revenues through differentiation and quality of offering and service levels in its network of franchised stores, which it operates with a focus on sales growth, its real estate program and operating efficiency.

Conference call
Financial analysts are invited to attend the first quarter of fiscal year 2010 results conference call to be held on July 7, 2009, at 8:30 AM (ET). The toll free call-in number is 1-877-695-6175 – access code 4728755 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 August 7, 2009. The access code is 8857878, 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 Company using the following link to the www.sedar.com website.

About The Jean Coutu Group
The Jean Coutu Group (PJC) Inc. operates a network of 358 franchised stores in Canada located in the provinces of Québec, New Brunswick and Ontario (under the banners of PJC Jean Coutu, PJC Clinique and PJC Santé Beauté) and employs more than 16,000 people. The Jean Coutu Group is one of the most trusted names in Canadian pharmacy retailing. The Company holds a significant interest in Rite Aid Corporation, a national chain of drugstores in the United States with more than 4,800 drugstores in 31 states and the District of Columbia.

This press release contains forward-looking statements that involve risks and uncertainties, and which are based on the Company's current expectations, estimates, projections and assumptions and were made by the Jean Coutu Group 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 Company'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 Company's industry and the Company'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", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Although the Company 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 non-recurring 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 our future operating results, financial position and cash flows and could cause our actual results to differ materially from those expressed in these forward-looking statements are our equity interest in Rite Aid Corporation ("Rite Aid"), general economic, financial or market conditions, the investment in ABCP, the cyclical and seasonal variations in the industry in which we operate, the changes in the regulatory environment as it relates to the sale of prescription drugs, the ability to attract and retain pharmacists, the intensity of competitive activity in the industry in which we operate, *labour disruptions, including possibly strikes and labour protests, changes in laws and regulations, or in their interpretations, changes in tax regulations and accounting pronouncements, the success of the Company's business model, the supplier and brand reputations and the accuracy of management's assumptions and other factors that are beyond our control.*

These and other factors could cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Investors and others are cautioned that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that would cause the Company's actual results to differ from current expectations, please also refer to the Company'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 Company's Annual Information Form under "Risk Factors" and in the "Risks and uncertainties" section of the MD&A for the fiscal year ended February 28, 2009. We expressly disclaim 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.

Consolidated statements of earnings

For the periods ended May 30, 2009 and May 31, 2008	13 weeks	
	2009	2008
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**$**	$
Sales	**559.6**	516.7
Other revenues	**59.7**	57.6
	619.3	574.3
Operating expenses		
Cost of goods sold	**504.1**	471.8
General and operating expenses	**53.4**	49.4
Amortization	**4.1**	3.9
	561.6	525.1
Operating income	**57.7**	49.2
Financing expenses (revenues)	**(2.2)**	1.3
Earnings before the following items	**59.9**	47.9
Share of loss from investments subject to significant influence	**30.9**	53.4
Income taxes	**18.7**	14.7
Net earnings (loss)	**10.3**	(20.2)
Basic and diluted earnings (loss) per share, in dollars	**0.04**	(0.08)

Consolidated statements of comprehensive income (loss)

For the periods ended May 30, 2009 and May 31, 2008	13 weeks	
	2009	2008
(unaudited, in millions of Canadian dollars)	**$**	$
Net earnings (loss)	**10.3**	(20.2)
Other comprehensive income		
Foreign currency translation adjustments	**(6.9)**	11.5
Comprehensive income (loss)	**3.4**	(8.7)

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of changes in shareholders' equity

For the periods ended May 30, 2009 and May 31, 2008	13 weeks 2009	2008
(unaudited, in millions of Canadian dollars)	**$**	$
Capital stock, beginning of period	**648.1**	715.4
Options exercised	**1.2**	-
Capital stock, end of period	**649.3**	715.4
Contributed surplus, beginning of period	**28.4**	16.7
Stock-based compensation cost	**0.2**	0.3
Stock-based compensation from investment subject to significant influence - Rite Aid	**2.1**	2.7
Contributed surplus, end of period	**30.7**	19.7
Retained earnings (deficit), beginning of period	**(324.1)**	930.8
Net earnings (loss)	**10.3**	(20.2)
Dividends	**(10.6)**	(10.0)
Retained earnings (deficit), end of period	**(324.4)**	900.6
Accumulated other comprehensive income (loss), beginning of period	**103.2**	(178.8)
Foreign currency translation adjustments	**(6.9)**	11.5
Accumulated other comprehensive income (loss), end of period	**96.3**	(167.3)
Total shareholders' equity	**451.9**	1,468.4

THE JEAN COUTU GROUP (PJC) INC.

Consolidated balance sheets

(in millions of Canadian dollars)	**As at May 30, 2009** **$** **(unaudited)**	As at February 28, 2009 $ (audited)
Assets		
Current assets		
Accounts receivable	**194.5**	183.6
Inventories	**156.4**	159.4
Prepaid expenses	**6.1**	6.2
	357.0	349.2
Investments	**73.1**	110.1
Property and equipment	**371.8**	366.2
Goodwill	**36.0**	36.0
Other long-term assets	**157.2**	152.9
	995.1	1,014.4
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**220.1**	217.0
Income taxes payable	**32.3**	36.4
Short-term portion of long-term debt	**4.3**	5.9
	256.7	259.3
Long-term debt	**256.6**	269.8
Other long-term liabilities	**29.9**	29.7
	543.2	558.8
Shareholders' equity		
Capital stock	**649.3**	648.1
Contributed surplus	**30.7**	28.4
Deficit	**(324.4)**	(324.1)
Accumulated other comprehensive income	**96.3**	103.2
	(228.1)	(220.9)
	451.9	455.6
	995.1	1,014.4

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of cash flows

For the periods ended May 30, 2009 and May 31, 2008	13 weeks 2009	2008
(unaudited, in millions of Canadian dollars)	**$**	$
Operating activities		
Net earnings (loss)	**10.3**	(20.2)
Items not affecting cash		
Amortization	**7.0**	5.2
Change in fair value of third party asset-backed commercial paper	**(1.9)**	-
Share of loss from investments subject to significant influence	**30.9**	53.4
Future income taxes	**6.1**	2.1
Other	**(1.2)**	-
	51.2	40.5
Net changes in non-cash asset and liability items	**(8.5)**	(52.2)
Cash flow provided by (used in) operating activities	**42.7**	(11.7)
Investing activities		
Investments and business acquisition	**(0.1)**	(1.2)
Purchase of property and equipment	**(10.1)**	(14.3)
Proceeds from disposal of property and equipment	**-**	0.2
Other long-term assets	**(8.9)**	(10.8)
Cash flow used in investing activities	**(19.1)**	(26.1)
Financing activities		
Net change in revolving credit facility, net of fees	**(13.1)**	48.0
Repayment of long-term debt	**(1.1)**	(0.2)
Issuance of capital stock	**1.2**	-
Dividends	**(10.6)**	(10.0)
Cash flow provided by (used in) financing activities	**(23.6)**	37.8
Net change in cash and cash equivalents	**-**	-
Cash and cash equivalents, beginning of period	**-**	-
Cash and cash equivalents, end of period	**-**	-

THE JEAN COUTU GROUP (PJC) INC.

Unaudited additional information

For the periods ended May 30, 2009 and May 31, 2008

(In millions of Canadian dollars)

Non-GAAP measures

Operating income before amortization ("OIBA") is not a measure of performance under Canadian generally accepted accounting principles ("GAAP"); however, management uses this performance measure in assessing the operating and financial performance of its operations. Besides, we believe that OIBA is an additional measure used by investors to evaluate operating performance and capacity of a company to meet its financial obligations.

However, OIBA is not and must not be used as an alternative to net earnings or cash flow generated by operating activities as defined by GAAP. OIBA is not necessarily an indication that cash flow will be sufficient to meet our financial obligations. Furthermore, our definition of OIBA may not be necessarily comparative to a similar measure reported by other companies.

Net earnings (loss), which is a performance measure defined by GAAP, is reconciled hereunder with OIBA.

	13 weeks	
	2009	2008
	$	$
Net earnings (loss)	**10.3**	(20.2)
Financing expenses (revenues)	**(2.2)**	1.3
Share of loss from investments subject to significant influence	**30.9**	53.4
Income taxes	**18.7**	14.7
Operating income	**57.7**	49.2
Amortization per financial statements	**4.1**	3.9
Amortization of incentives paid to franchisees [(1)]	**2.9**	1.3
Operating income before amortization ("OIBA")	**64.7**	54.4

(1) Amortization of incentives paid to franchisees is applied against other revenues in the consolidated financial statements.

(In millions of Canadian dollars except per share amounts)

Non-GAAP measures *(continued)*

Earnings (loss) (or earnings (loss) per share) before specific items and earnings (or earnings per share) before specific items and share of loss from investments subject to significant influence are non-GAAP measures. The Company 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 GAAP measures, and that the above-mentioned non-GAAP measures provide investors with a measure of performance with which to compare its results between periods without regard to these items. The Company's measures excluding certain items have no standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies and therefore should not be considered in isolation.

Net earnings (loss) and earnings (loss) per share are reconciled hereunder to earnings (loss) (and earnings (loss) per share) before specific items and earnings (and earnings per share) before specific items and share of loss from investments subject to significant influence. All amounts are net of income taxes when applicable.

	13 weeks	
	2009	2008
	$	$
Net earnings (loss)	**10.3**	(20.2)
Unrealized foreign exchange gains on monetary items	**(0.8)**	-
Change in fair value of third party asset-backed commercial paper	**(1.9)**	-
Earnings (loss) before specific items	**7.6**	(20.2)
Share of loss from investments subject to significant influence	**30.9**	53.4
Earnings before specific items and share of loss from investments subject to significant influence	**38.5**	33.2
Earnings (loss) per share	**0.04**	(0.08)
Unrealized foreign exchange gains on monetary items	**-**	-
Change in fair value of third party asset-backed commercial paper	**(0.01)**	-
Earnings (loss) per share before specific items	**0.03**	(0.08)
Share of loss from investments subject to significant influence	**0.13**	0.21
Earnings per share before specific items and share of loss from investments subject to significant influence	**0.16**	0.13