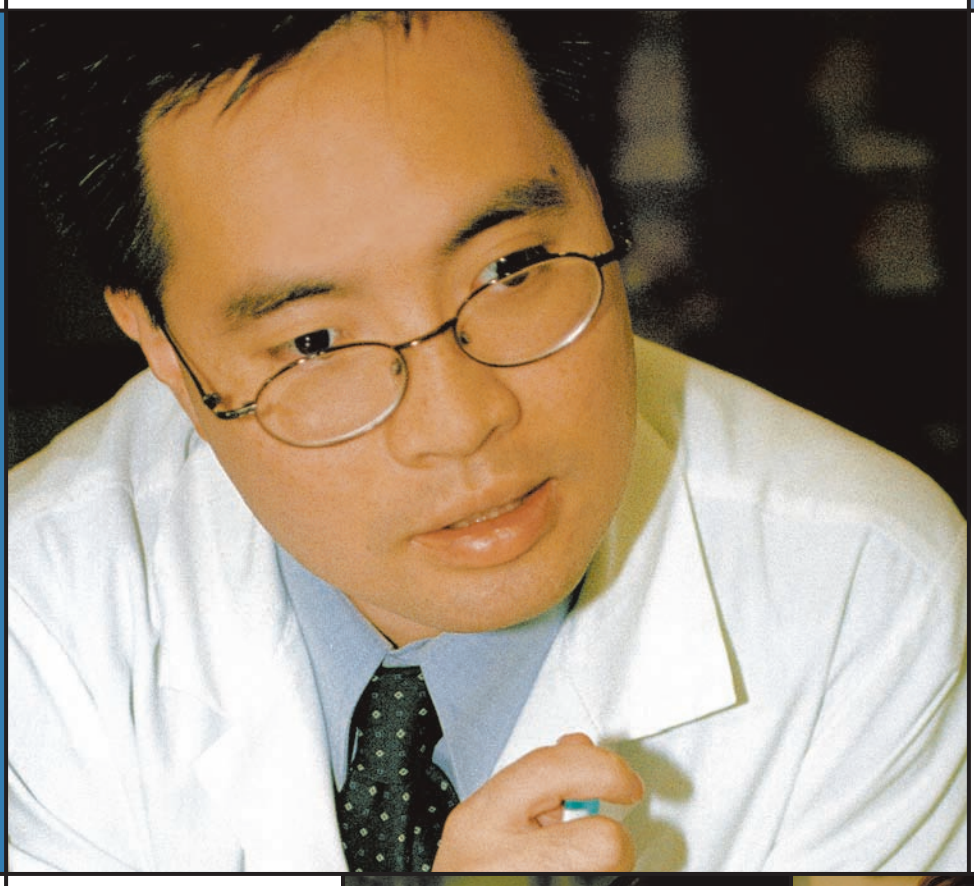
The
Jean Coutu
Group (PJC) Inc.



2001 Annual Report

Company Profile

With over 30 years' experience and a development strategy focusing on efficiency, The Jean Coutu Group (PJC) Inc. leads the field in pharmaceutical services and care.

Founded in 1969, The Jean Coutu Group (PJC) Inc. is today one of the foremost names in retail sales and distribution of pharmaceuticals and para-pharmaceuticals in North America. Unrivalled leader in Quebec, it also occupies a prominent position in its other markets. A huge network of outlets and high-quality services mean that the Company also has enormous influence on the development and advancement of professional practice in pharmacies. Constant monitoring of new trends allows The Jean Coutu Group to offer services tailored exactly to the needs and expectations of its clients.

	Number of outlets	Staff
CANADA –		
The Jean Coutu Group (PJC) Inc.		
Head office		910
Longueuil (Quebec)		
Franchised outlets		10 970
PJC	252	
PJC Clinic	40	
PJC Santé Beauté	1	
Territory		
Quebec, Ontario, and New Brunswick		
UNITED STATES –		
The Jean Coutu Group (PJC) U.S.A. Inc.		
Head office		530
Warwick (Rhode Island)		
Corporate outlets		
Brooks Pharmacy	251	5 240
Territory		
Maine, New York, Rhode Island, Massachusetts, Connecticut, Vermont, and New Hampshire		

The Jean Coutu Group's Canadian and American networks benefit from modern distribution centres applying the best practices in inventory management and supply logistics.

Among its subsidiaries, The Jean Coutu Group has two subsidiaries whose mission is to offer services that facilitate day-to-day management, and professional and business activities, in addition to constantly improving customer service :

RX Information Centre Subsidiary serving The Jean Coutu Group's Canadian and American pharmacy networks as well as their warehouse and head office, to develop and implement state-of-the-art technological solutions.

Services Sécurivol Subsidiary providing Canadian outlets with security management systems.

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Financial Highlights

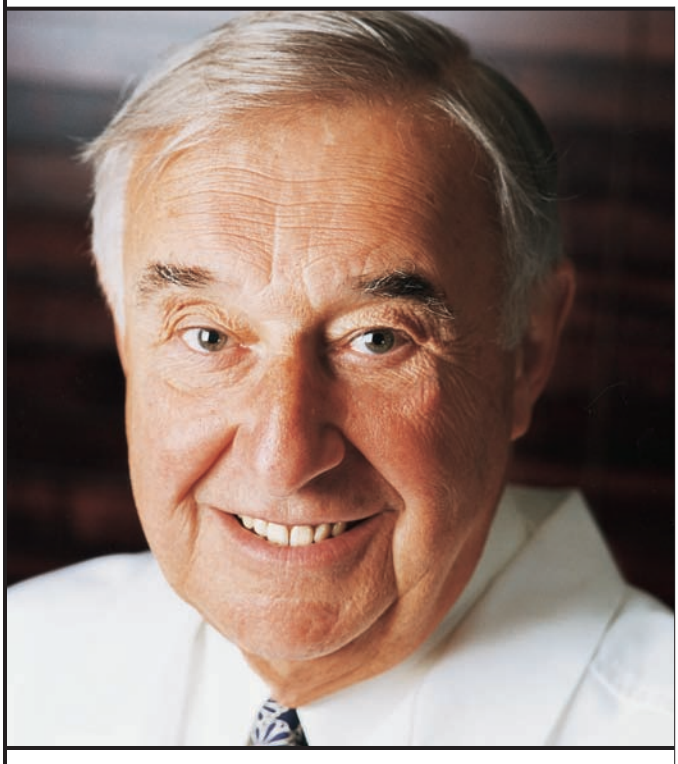
Years ended May 31 (in thousands of dollars except per share data and ratios)	**2001**	2000	1999	1998	1997
Financial Performance					
Sales and other revenues					
Canada	**1,363,156**	1,226,433	1,111,354	1,001,458	873,256
United States	**1,561,688**	1,351,259	1,178,016	938,616	837,709
Total	**2,924,844**	2,577,692	2,289,370	1,940,074	1,710,965
Earnings before income taxes	**163,170**	133,535	119,457	98,375	87,971
Net earnings	**105,941**	86,191	74,307	63,236	57,025
Cash flow	**146,437**	131,094	114,519	84,777	80,243
Financial Position					
Real estate	**182,302**	163,266	154,291	148,785	136,929
Capital assets	**224,733**	202,676	185,028	151,950	124,120
Total assets	**1,230,805**	1,032,671	920,101	851,206	725,558
Shareholders' equity	**831,927**	588,578	509,465	446,732	378,189
Per Share Data					
Net earnings (1)	**0.98**	0.82	0.70	0.60	0.54
Cash flow (1)	**1.35**	1.24	1.09	0.81	0.77
Dividends	**0.20**	0.23	0.20	0.16	0.14
Shareholders' equity (1)	**7.68**	5.58	4.83	4.24	3.60
Financial Ratios					
Working capital	**2.62:1**	1.82:1	1.84:1	1.33:1	1.31:1
Long-term debt on equity	**0.17:1**	0.28:1	0.36:1	0.19:1	0.22:1
Return on average shareholders' equity (%)	**14.9**	15.7	15.5	15.3	16.2
Network Performances					
Franchised establishments (Canada)	**2,065,244**	1,880,891	1,742,610	1,681,000	1,516,082
Corporate establishments (United States)	**1,534,436**	1,330,750	1,158,689	922,281	822,687
Total	**3,599,680**	3,211,641	2,901,299	2,603,281	2,338,769
Share Information					
High	**39.35**	36.25	39.00	25.40	14.10
Low	**17.10**	26.95	19.00	13.00	8.40
Close	**26.45**	30.00	32.25	23.50	14.05

(1) On September 29, 2000, the Company subdivided its Subordinate Voting Shares and Class B Shares on the basis of two new shares for each existing share. The per share data has been calculated considering the share subdivision.

Message to Shareholders

A HIGHLY EFFICIENT ORGANIZATION

Last year, we described The Jean Coutu Group as "a modern organization with experience". After another year, this description still applies. Our constant efforts to upgrade our methods and ensure healthy management of our investments also mean that our organization is stronger and more efficient than ever. In both Canada and the United States, our networks of pharmacies achieved unprecedented levels of performance. With substantially the same number of establishments as last year, revenues rose steadily and profitability was substantially higher.



Jean Coutu
Chairman of the Board and
Chief Executive Officer
The Jean Coutu Group (PJC) Inc.

For the fiscal year ended May 31, 2001, The Jean Coutu Group (PJC) Inc. recorded total revenues of $2.925 billion, an increase of 13.5% compared with $2.578 billion for the previous fiscal year. This major rise had a positive impact on profitability. At the end of fiscal 2000 - 2001, The Jean Coutu Group reported net earnings of $105.9 million (or $0.98 per share), an increase of 22.9% over the net earnings of $86.2 million (or $0.82 per share, considering the share subdivision) for the same period last year.

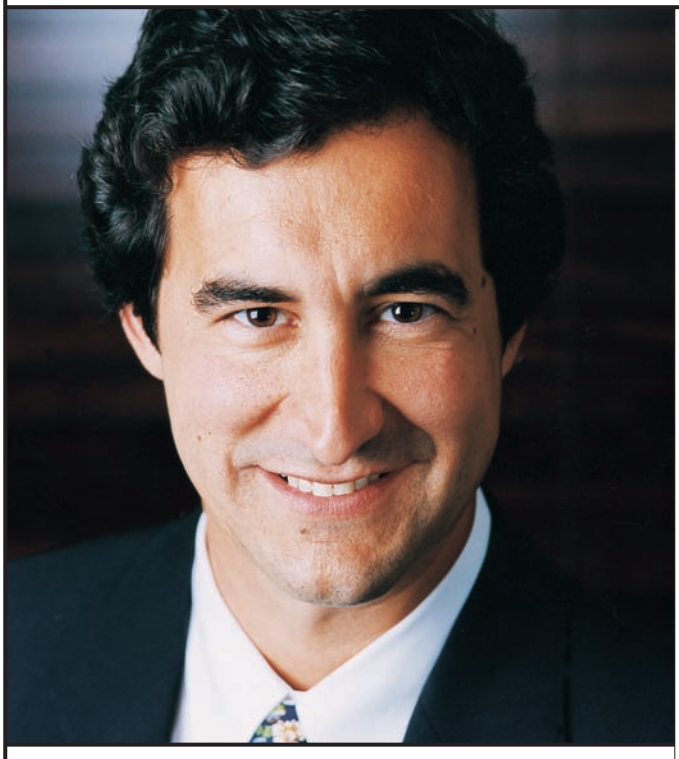
A clear vision of an ever-changing market

Drawing on the extensive experience accumulated over 32 years of active presence, The Jean Coutu Group has always made a point of monitoring shifts and trends in order to better understand the pharmacist's job, and to fully grasp the factors affecting it. Many different issues have an impact on professional practice in a pharmacy: the aging population, urban development, access to health care, availability of new drugs, and introduction of new technologies.

In this constantly changing environment, the steady increase in the number of prescriptions filled each year fuels our determination to pursue our corporate development. In Canada, the number increased by approximately 7% in 2000, while in the United States it rose by 5.6%. Because many of the new drugs are more complex and multifaceted, the average unit cost of pharmaceutical products has risen substantially. Calculated on sales expressed in dollars, the increase is even greater.

There are two main reasons why more prescriptions are being filled. First, elderly people, who account for a growing portion of the population, need more medication to ensure their health. Second, better drugs providing more effective therapy for more diseases are being added to the list of pharmaceutical products every year.

Message to Shareholders



François J. Coutu
President and Chief Operating Officer
The Jean Coutu Group (PJC) Inc.

Efficiency and innovation as part of the daily routine

To make the most of opportunities, The Jean Coutu Group continues its ongoing quest for greater efficiency, in all areas of the Company. Our various teams work in synergy in two areas: management of our two networks of pharmacies, which includes distribution activities; and customer service, which incorporates professional services. To achieve Company objectives in both areas, our teams make full use of state-of-the-art technologies, constantly upgrading business processes and quality of service. They also ensure that all employees receive the necessary training to perform their duties, and make full use of the tools and means at their disposal. When it comes to new technologies, The Jean Coutu Group continues to lead the field in implementing highly original solutions that result in dramatically improved performance.

Turning to the management of our two networks of pharmacies, we are especially proud of our accomplishments so far. Each network has become better known in its respective market. The close collaboration between The Jean Coutu Group and its franchisees continues to produce outstanding results, each partner drawing on the other's experience. In Canada and the United States alike, our pharmacies are therefore extremely well positioned, offering just what shoppers want: high-calibre professional services in a setting where they feel thoroughly at home.

New technologies undoubtedly enable us to make enormous strides in network efficiency, both in inventory management and distribution logistics. However, experience also shows that combining store modernization with our upgrading programs – adding a private consultation area to the prescription counter, for example – is instrumental in expanding our clientele. Renovating a space to give it an updated look is often enough to boost sales by 15% to 20%.

Michel Coutu
President and Chief Executive Officer
The Jean Coutu Group (PJC) U.S.A. Inc.

Message to Shareholders

Monitoring the habits of shoppers and listening to their concerns frequently results in new layout concepts. An example is the creation of the *PJC Santé Beauté* banner, specially tailored to the shopping mall clientele. Our first such outlet is at Galeries de la Capitale in Quebec City. The concept involves substantially reducing store area and focusing on four product categories: prescription drugs, over-the-counter medications, skin care, and cosmetics. Once again, the results speak for themselves.

On the customer service front, we are constantly driven by our determination to develop new ideas and fresh approaches so as to satisfy more clients and retain them. A number of programs were implemented this year to make Jean Coutu and Brooks pharmacies the preferred choice of more and more people.

If we are to achieve this goal, the professional services offered at our pharmacies have to be the best. Today's pharmacist is unquestionably the most readily available of all health professionals; and because people are increasingly concerned about their health, pharmacists are increasingly called upon to answer questions or reassure people about their treatment. Accordingly, we need to give each of our pharmacists the tools to perform this role to the highest professional standards.

New technologies have produced applications that free pharmacists from repetitive administrative tasks and make them more available and receptive to clients' needs. We also make sure that all personnel undergo the training to provide superior quality service.

Being fully receptive to our clients' needs at all times also means responding fast. When it comes to people's health, the public always appreciates prompt action. A striking example of this occurred in November 2000, when Health Canada issued an advisory concerning all drugs containing phenylpropanolamine (PPA). Mindful of consumer health, The Jean Coutu Group immediately removed these drugs from its pharmacy shelves and stopped selling them. We also published the full list of products containing PPA, on our Internet site, among others, and announced that all of them could be returned to us for a full refund, wherever they had been purchased, and whatever quantity remained. All professionals throughout our network then offered alternative solutions to customers.

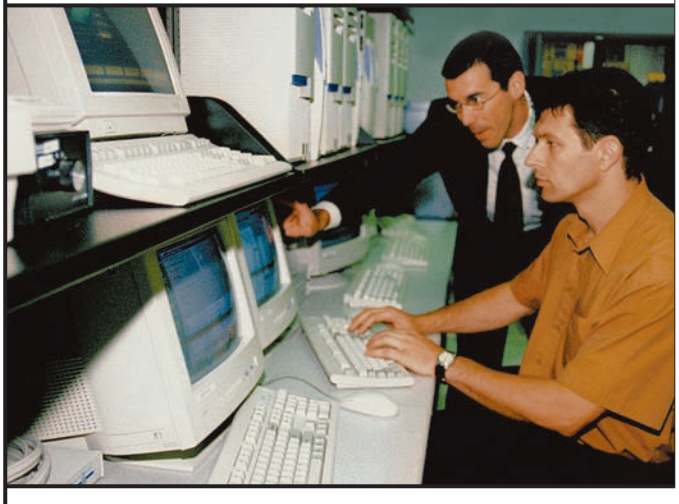
Message to Shareholders

Stronger than ever

Another highlight of fiscal 2000 - 2001 was a public offering. The issue of some 6.5 million shares went ahead successfully, according to plan. The net proceeds amounted to $140.6 million.

Availability of this capital, combined with our efficiency-driven approach, is definitely one of the key factors that make our Company one of the most dynamic in its sector. Past results, especially those of the last fiscal year, confirm the wisdom of our actions. The Jean Coutu Group continues to dominate sales and distribution of pharmaceutical and parapharmaceutical products across North America, and its leading position makes it highly influential in the development of professional practice in the field.

Our ongoing prosperity year after year is largely due to the outstanding work of all our personnel. Some of our employees have been with us since the very beginning; they personify the experience we have patiently accumulated and that now serves us so well. Others have joined our ranks over the years, many of them contributing new ideas and original approaches that have helped us to remain in the forefront.



Outlook

At the close of the fiscal year, The Jean Coutu Group is clearly a highly efficient organization. More than ever before, we have everything we need to pursue our development and increase our presence on the North American market. We have the resources to expand the reach of our two pharmacy networks without compromising on efficiency. In the coming fiscal year, we plan to open at least 12 new pharmacies in our two markets combined, and will remain poised to seize all opportunities. We will act with rigour and vigilance in all our undertakings, and not become involved in reckless acquisitions or jeopardize our assets.

As always, we will pay careful attention to every step we take, now and in the future, and remain firmly focused on our one objective: continuing to enhance what we have been building for 32 years.

Jean Coutu
Chairman of the Board and
Chief Executive Officer
The Jean Coutu Group (PJC) Inc.

François J. Coutu
President and Chief Operating Officer
The Jean Coutu Group (PJC) Inc.

Michel Coutu
President and Chief Executive Officer
The Jean Coutu Group (PJC) U.S.A. Inc.

Review of Operations

STRONG PERFORMANCE THROUGHOUT

The Jean Coutu Group recorded a strong performance during fiscal 2000-2001. Although the number of outlets was approximately the same as last year, the total number of prescriptions filled by our Canadian and American pharmacy networks was 9.7% higher.

A MARKET THAT IS STILL EVOLVING

The last 10 years have seen major transformations in the pharmaceutical and parapharmaceutical retail industry. The Jean Coutu Group's customary vigilance has led to new approaches and methods that have allowed the Company to derive the maximum benefit from changes in the market.

Many factors have a decisive influence on professional practice in the pharmacy and the sale of pharmaceutical and parapharmaceutical products. Among them are demography, the discovery of new drugs, accessibility to health care, urban development and the emergence of new technologies. Three of these factors - demography, marketing of new drugs and accessibility to health care - directly affect pharmacy sales volume, chiefly by causing a steady increase in the number of prescriptions filled annually. Today, more than ever, pharmacists have to take all these factors into account if they are to succeed in providing services that correspond exactly to the needs and expectations of clients; in doing so, pharmacists also strengthen their positioning in the market they serve.

Demography Two demographic trends are of particular interest to health professionals. One is the growing number of elderly people. In 2000, people aged 65 and over accounted for 12.5% of the population; Statistics Canada predicts that this percentage will reach 14.5% by 2011. The other is the fact that the under 19 age group still accounts for a major portion of the population; Statistics Canada expects it to exceed 22% in 2011.

It is precisely these two segments of clientele that use medication the most. Among people aged 65 and over, a higher percentage than in the overall population rely on some form of medication to maintain their quality of life. In the under 19 age group, childhood diseases are the main reason for above-average use of health care.

Review of Operations

New Drugs Every year, new drugs appear on the market, either to combat illnesses for which there was previously no treatment, or to replace existing products with more effective ones. In many cases, the formulation and preparation of new medications are more complex. Pharmacists have to update their knowledge constantly to provide clients with expert advice on the effects of drugs and ensure optimum compliance with treatment.

At the same time, an increasingly wide array of drugs are becoming available over the counter. When customers are seeking remedies for a condition that does not necessarily involve seeing a doctor, they are faced with an overwhelming variety. As a result, more and more clients are asking their pharmacist for help.

Accessibility of Health Care Access to health care remains a prime concern, and involves issues associated with cost, availability of health professionals, and existing facilities and infrastructures.

In this context, the pharmacist is certainly the health professional who is most readily available. Many people diagnose their own problem and want to know what to do, others are seeking reassurance about the effects of their prescribed treatment; all of them turn to their pharmacist for information. Accordingly, a growing number of people now base their choice of pharmacy as much on the quality of professional services they find there, that on the range of products offered.

The cost of drugs is a major issue affecting access, especially when we remember that the cost of new treatments developed to combat the most complex diseases is often higher. A pharmacist may prove to be the ideal resource to implement ways of preventing and controlling drug expenses. In addition to having the expert knowledge to ensure optimum treatment, pharmacists are able to offer solutions that ensure patients follow their full course of treatment, thereby eliminating the unnecessary costs generated by non-compliance.

Lifestyle and Urban Development Constant monitoring of lifestyles and urban development is essential to ensure optimum development of a pharmacy network. For example, while most people continue to use their local pharmacy for all their drug and other health needs, many others choose an outlet located close to their workplace, to save time. Consumer lifestyles change year by year, and The Jean Coutu Group, with its franchisees, constantly reviews store layouts, and sometimes even locations, in order to fine-tune the concept to fit the specific market conditions in each geographical sector.

Management's Comments and Analysis

REVENUES

For the fiscal year ended May 31, 2001, The Jean Coutu Group (PJC) Inc. recorded total revenues of $2,924,844,000, an increase of 13.5% compared with the $2,577,692,000 from the previous fiscal year. This higher figure reflects a substantial increase in sales at Canadian outlets as well as Brooks Pharmacy corporate outlets in the United States. Among the factors contributing to this success were the continuing favourable market conditions and the sustained growth in the number of prescriptions filled. Optimum use of available tools and resources also helped to boost pharmacy performance.

The revenues of the Canadian operation attained $1,363,156,000 for fiscal 2000-2001, which is 11.1% higher than the $1,226,433,000 recorded a year earlier. Revenues from the American subsidiary rose 15.6% to reach $1,561,688,000 at year end, compared with $1,351,259,000 for fiscal 1999-2000.

Operating Expenses

In absolute terms, cost of goods sold, and general and operating expenses were 13.3% higher, amounting to $2,700,869,000 in 2000-2001, compared with $2,383,290,000 for the previous fiscal year. Reflecting increased sales during the year, the total cost of merchandise sold was correspondingly higher. Higher total payroll, mainly in the United States, also exerted upward pressure on total expenditures. However, the company demonstrated rigorous control and vigilance in the area of cost control.

Other Expenses

The Jean Coutu Group ended the fiscal year with a 2.9% increase in amortization expenses compared with the figure recorded at the end of the previous fiscal year. For fiscal 2000-2001, amortization expenses amounted to $47,348,000, compared to $45,993,000 a year earlier.

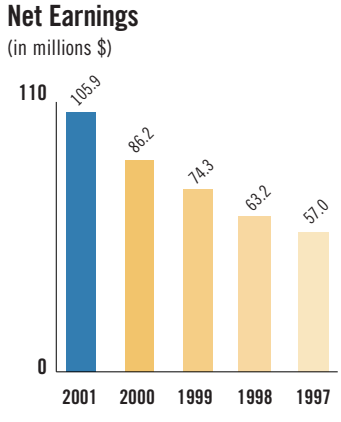
Lower interest rates, combined with debt reduction, allowed the company to reduce its financial expenses by 9.5% compared with the previous year. For fiscal 2000-2001, financial expenses, including interest on long-term debt and other interests, amounted to $13,457,000, compared with $14,874,000 for the fiscal year ended May 31, 2000.

Earnings Before Income Taxes

Increased revenues and rigorous control of expenditures allowed The Jean Coutu Group to post higher earnings before income taxes than last year. In 2000-2001, they amounted to $163,170,000, 22.2% more than the $133,535,000 of the previous fiscal year. The Canadian operation continued to make the largest contribution to earnings before income taxes, with $129,209,000, or 79.2% of the total. The $33,961,000 recorded by the American operation accounted for 20.8%.

Net Earnings

The Jean Coutu Group ended fiscal 2000-2001 with net earnings of $105,941,000 ($0.98 per share), a 22.9% increase over the net earnings for fiscal 1999-2000, which amounted to $86,191,000 ($0.82 per share, considering the share subdivision).



Management's Comments and Analysis

Cash Flows

Alongside the increase in net earnings, higher cash flows provide yet another illustration of the fine performance of The Jean Coutu Group. They amounted to $146,437,000 ($1.35 per share) at the end of fiscal 2000 - 2001, or 11.7% more than the $131,094,000 ($1.24 per share, considering share subdivision) recorded a year ago.

Regarding the ongoing improvement program for network pharmacies, the amounts devoted to capital expenditures and real estate were 31% higher than last year. In 2000 - 2001, cash allocated to this item amounted to $66,564,000 as opposed to $50,825,000 in the previous fiscal year.

Owing to a $12,274,000 reduction in cash and cash equivalents, The Jean Coutu Group ended the 2000 - 2001 fiscal year with cash assets of $7,126,000, compared with $19,400,000 last year. However, it should be emphasized that this figure does not include the Company's current investments, whose value at May 31, 2001 was $156,645,000.

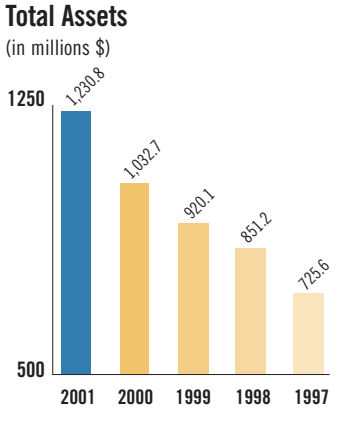
Financial Situation

At the end of fiscal 2000 - 2001, the total assets of The Jean Coutu Group amounted to $1,230,805,000, which is 19.2% more than the total assets of $1,032,671,000 at the end of the previous fiscal year. Real estate and capital assets, with a combined value of $407,035,000 at May 31, 2001, continue to account for approximately one-third of these assets.

At May 31, 2001, shareholders' equity amounted to $831,927,000, which is 41.3% higher than the $588,578,000 recorded at the same date one year earlier. This significant increase is due mainly to the January 2001 share issue worth $146.3 million.

Working capital was $431,521,000 at May 31, 2001, giving a cost-benefit ratio of 2.62:1 for the fiscal year. Last year, these two items stood at $242,372,000 and 1.82:1 respectively.

Total bank debt at May 31, 2000 amounted to $171,599,000 , compared with $215,138,000 a year ago. As a ratio in relation to shareholders' equity, values were 0.21:1 and 0.37:1 for each fiscal year respectively.

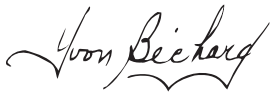


Outlook

The Jean Coutu Group ended the fiscal year in an unusually strong financial position. Good performance in terms of results, together with the successful public offering, have given the company the means with which to pursue its development strategy and enhance its position on the North American market. The high level of operational efficiency achieved across both networks of pharmacies is also a major factor in the company's growth.

Market conditions are expected to remain favourable throughout the current fiscal year. Statistical analyses of demographic trends predict sustained growth in the demand for pharmaceuticals and parapharmaceuticals. To benefit from this situation and boost traffic in our pharmacies, we will continue to focus on quality of service as well as outlets that are strategically located and equipped to respond to the latest requirements of customers. Implementation of state-of-the-art technologies continues to be paramount in the achievement of our objectives.

The Jean Coutu Group also plans to broaden the reach of its pharmacy networks. New outlets will be opened to take advantage of opportunities created by urban development in the markets we serve. In some cases, this involves introducing new concepts that better respond to the specific needs of clients in particular sectors. We will also remain on the lookout and examine every possibility for acquiring an existing pharmacy network. Whenever opportunities arise, we will act with the necessary caution to ensure optimum integration in one or the other of our networks without undermining our accomplishments. In this way, the acquisition will genuinely enhance the value of our company.



Yvon Béchard
Senior Executive Vice-President
and Assistant Secretary

Quarterly consolidated earnings

(IN THOUSANDS OF DOLLARS EXCEPT FOR PER SHARE AMOUNTS)

3-month period ended	August 31 2000	November 30 2000	February 28 2001	May 31 2001	Total 2001
	$	$	$	$	$
Sales and other revenues					
Franchising	304,339	345,054	318,555	342,476	1,310,424
Real estate	13,052	12,475	13,419	13,786	52,732
Retail sales	357,118	377,044	411,386	416,140	1,561,688
	674,509	**734,573**	**743,360**	**772,402**	**2,924,844**
Expenses					
Cost of goods sold, general and operating expenses	623,490	678,492	683,869	715,018	2,700,869
Depreciation and amortization	11,720	11,861	11,717	12,050	47,348
Interest on long-term debt	2,683	2,608	2,529	2,445	10,265
Other interests	740	800	921	731	3,192
	638,633	**693 761**	**699,036**	**730,244**	**2,761,674**
Income before income taxes	35,876	40,812	44,324	42,158	163,170
Income taxes	12,540	14,584	15,842	14,263	57,229
Net income	**23,336**	**26,228**	**28,482**	**27,895**	**105,941**
Earnings per share	**0.22**	**0.25**	**0.26**	**0.25**	**0.98**

3-month period ended	August 31 1999	November 30 1999	February 29 2000	May 31 2000	Total 2000
	$	$	$	$	$
Sales and other revenues					
Franchising	274,691	312,199	282,864	306,470	1,176,224
Real estate	12,610	11,943	12,662	12,994	50,209
Retail sales	312,934	326,050	358,034	354,241	1,351,259
	600,235	**650,192**	**653,560**	**673,705**	**2,577,692**
Expenses					
Cost of goods sold, general and operating expenses	555,374	602,798	601,667	623,451	2,383,290
Depreciation and amortization	11,009	11,506	11,551	11,927	45,993
Interest on long-term debt	2,746	2,771	2,729	2,758	11,004
Other interests	792	862	1,092	1,124	3,870
	569,921	**617,937**	**617,039**	**639,260**	**2,444,157**
Income before income taxes	30,314	32,255	36,521	34,445	133,535
Income taxes	10,761	11,260	12,915	12,408	47,344
Net income	**19,553**	**20,995**	**23,606**	**22,037**	**86,191**
Earnings per share	**0.19**	**0.20**	**0.22**	**0.21**	**0.82**

Management's report with respect to the financial statements

The consolidated financial statements of The Jean Coutu Group (PJC) Inc. contained in this report, including the notes thereto, were prepared by management in accordance with Canadian generally accepted accounting principles. In addition, the financial information contained elsewhere in the annual report is consistent with the financial statements.

The Board of Directors is responsible for the financial statements included in this annual report. The Audit Committee reviews the contents of the financial statements prior to their approval by the Board of Directors. The external auditors discuss their audit work with the Committee.

The Company's external auditors, Arthur Andersen, are responsible for auditing the financial statements and providing an opinion thereon. Their report is presented below.

François J. Coutu
President and
Chief Operating Officer

Yvon Béchard
Senior Executive Vice-President
and Assistant Secretary

Auditors' report

To the Shareholders of
The Jean Coutu Group (PJC) Inc.,

We have audited the consolidated balance sheets of The Jean Coutu Group (PJC) Inc. as at May 31, 2001 and 2000 and the consolidated statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

General Partnership
Chartered Accountants

July 13, 2001
Montreal, Canada

Consolidated balance sheets

MAY 31, 2001 AND 2000
(IN THOUSANDS OF DOLLARS)

	2001	2001
	$	$
Assets		
Current assets		
Cash	**7,126**	19,400
Temporary investments (note 2)	**156,645**	–
Accounts receivable	**165,893**	173,249
Inventories	**347,620**	330,868
Future income taxes	**13,759**	8,871
Prepaid expenses	**7,119**	6,139
	698,162	538,527
Investments (note 3)	**18,223**	16,147
Real estate (note 4)	**182,302**	163,266
Capital assets (note 5)	**224,733**	202,676
Other assets (note 6)	**107,385**	112,055
	1,230,805	1,032,671
Liabilities		
Current liabilities		
Bank loans (note 7)	**26,153**	48,075
Accounts payable	**202,883**	214,523
Income taxes payable	**16,711**	8,194
Current portion of long-term debt (note 8)	**20,894**	25,363
	266,641	296,155
Deferred revenue	**7,364**	3,936
Long-term debt (note 8)	**124,552**	141,700
Future income taxes	**321**	2,302
	398,878	444,093
Shareholders' equity		
Capital stock (note 9)	**198,120**	52,763
Retained earnings	**603,110**	514,606
Foreign currency translation adjustments (note 10)	**30,697**	21,209
	831,927	588,578
	1,230,805	1,032,671

Contingencies and commitments (notes 11 and 12)

Approved on behalf of the Board

Director

Director

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

Consolidated financial statements

Consolidated statements of income

FOR THE YEARS ENDED MAY 31, 2001 AND 2000
(IN THOUSANDS OF DOLLARS EXCEPT FOR PER SHARE AMOUNTS)

	2001	2000
	$	$
Sales	**2,726,692**	2,402,655
Other revenues (note 13)	**198,152**	175,037
	2,924,844	2,577,692
Expenses		
Cost of goods sold, general and operating expenses	**2,700,869**	2,383,290
Amortization (note 14)	**47,348**	45,993
Interest on long-term debt	**10,265**	11,004
Other interest	**3,192**	3,870
	2,761,674	2,444,157
Income before income taxes	**163,170**	133,535
Income taxes (note 15)	**57,229**	47,344
Net income	**105,941**	86,191
Earnings per share	**0.98**	0.82
Weighted average number of shares outstanding [1]	**108,256,814**	105,591,475

[1] Considering the stock split on September 29, 2000

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

Consolidated statements of retained earnings

FOR THE YEARS ENDED MAY 31, 2001 AND 2000
(IN THOUSANDS OF DOLLARS)

	2001	2000
	$	$
Balance, beginning of year	**514,606**	440,558
Net income	**105,941**	86,191
	620,547	526,749
Dividends	**17,437**	12,143
Balance, end of year	**603,110**	514,606

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

Consolidated statements of cash flows

FOR THE YEARS ENDED MAY 31, 2001 AND 2000
(IN THOUSANDS OF DOLLARS)

	2001	2000
	$	$
Operating activities		
Net income	**105,941**	86,191
Items not affecting cash		
Amortization	**47,348**	45,993
Loss on disposal of assets	**671**	41
Future income taxes	**(7,455)**	(1,016)
Share in income of companies subject to significant influence	**(68)**	(115)
	146,437	131,094
Net changes in non-cash working capital items and in long-term receivables from franchisees	**(11,147)**	(42,194)
	135,290	88,900
Investing activities		
Loans and advances	**(3,196)**	(1,126)
Receipts on loans and advances	**2,852**	1,552
Acquisition of investments	**(157,233)**	(575)
Purchase of capital assets and real estate	**(66,564)**	(50,825)
Proceeds from the disposal of capital assets and real estate	**634**	1,616
Goodwill	**(8,701)**	(8,970)
Proceeds from the disposal of other assets	**448**	–
Others	**(728)**	151
	(232,488)	(58,177)
Financing activities		
Changes in bank loans	**(23,067)**	9,511
Long-term debt	**1,376**	16,248
Repayment of long-term debt	**(27,318)**	(34,929)
Issuance of capital stock less issue expenses	**143,512**	144
Dividends	**(17,437)**	(12,143)
	77,066	(21,169)
Foreign currency translation adjustments	**7,858**	3,985
Increase (decrease) in cash and cash equivalents	**(12,274)**	13,539
Cash, beginning of year	**19,400**	5,861
Cash, end of year	**7,126**	19,400
Cash flows include the following items:		
Interest paid	**13,503**	14,891
Income taxes paid	**45,824**	45,647

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

1. Significant accounting policies

Financial statements

The financial statements are prepared in accordance to Canadian generally accepted accounting principles. Amounts are expressed in Canadian currency.

Consolidation

The consolidated financial statements include the accounts of the Company and all its subsidiaries.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the utilisation of estimates and assumptions that affect the reported amounts of assets and liabilities, related amounts of revenues and expenses and disclosure of contingent assets and liabilities. Consequently, actual amounts could differ from those estimates.

Inventory valuation

Inventories are valued at the lower of cost and net realizable value, the cost being determined using the first in, first out basis and selling price less a normal gross profit.

Investments

Investments in companies subject to significant influence are accounted for using the equity method.

Other investments are accounted for using the cost method. Periodically, management analyzes each loan, advance and long-term receivable and when a serious doubt as to their recovery is identified, a provision is applied to reduce their book value to the estimated realizable value.

Foreign currency translation

Transactions concluded in foreign currencies are translated according to the temporal method. Therefore, monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date, non monetary assets and liabilities at their historical rates and revenue and expense items at the average monthly rate of exchange. All exchange gains and losses are current in nature and included in the statements of income.

The financial statements of self-sustaining subsidiaries are converted according to the current rate of exchange. Based on this method, assets and liabilities are converted at the exchange rate in effect at the balance sheet date and revenue and expense items are translated at the average monthly rate. Translation adjustments resulting from exchange rate fluctuations are included in foreign currency translation adjustments in Shareholders' Equity.

Real estate

The Company holds real estate for leasing purposes, which is accounted for at cost.

Amortization of buildings is calculated using the straight-line, diminishing and the compound interest methods at the rates of 5% and 10% based on the estimated useful lives of the buildings.

Capital assets

Capital assets are accounted for at cost.

Amortization is based on the estimated useful life of the assets using the straight-line and the diminishing balance methods at the following rates:

Buildings	3% to 5%
Furniture and equipment	14% to 20%
Computer equipment and software	10% to 33 1/3%
Leasehold improvements	Term of the lease or useful life, whichever is shorter
Vehicles	14% to 30%

Goodwill

Goodwill is accounted for at cost and amortized using the straight-line method at rates ranging from 5% to 20%.

The Company's management determines annually if a permanent impairment in value of the unamortized portion of goodwill exists based on estimated future operating income.

Deferred costs

Deferred costs are accounted for at cost.

Amortization is calculated using the straight-line method at the rate of 20% and over the term of the long-term loan.

Stock-based compensation plan

The Company has a stock-based compensation plan, which is described in note 9. No compensation expense is recognized for this plan when stock or stock options are issued to executive officers. Any consideration paid by executive officers on exercise of stock options or purchase of stock is credited to share capital. If stock or stock options are repurchased from executive officers, the excess of the consideration paid over the carrying amount of the stock option canceled is charged to retained earnings.

2. Temporary investments

Temporary investments include commercial paper bearing interest at rates varying from 4.40% to 5% and maturing between July 5, 2001 and September 28, 2001.

3. Investments

	2001	2000
	$	$
Loans, advances and long-term receivables from franchisees, variable interest, some of which bear repayment terms until 2006 and are renewable (net of a provision for losses of $1,250,000; 2000 - $1,100,000)	**18,355**	16,118
Other	**3,543**	2,939
	21,898	19,057
Current portion (included in accounts receivable)	**3,675**	2,910
	18,223	16,147

The provision for losses relates to long-term receivables from franchisees amounting to $4,046,000 (2000 - $2,948,000). During the year, an additional bad debt expense of $150,000 (2000 - $288,000) has been accounted for.

4. Real estate

	2001	2000
	$	$
Land	**62,362**	52,407
Buildings	**132,275**	126,280
Construction in progress	**6,034**	807
	200,671	179,494
Accumulated amortization	**18,369**	16,228
	182,302	163,266

5. Capital assets

	2001		
	Cost	Accumulated amortization	Net book value
	$	$	$
Land	**36,692**	–	**36,692**
Buildings	**116,546**	**22,470**	**94,076**
Furniture and equipment	**52,370**	**38,673**	**13,697**
Computer equipment and software	**48,009**	**31,417**	**16,592**
Leasehold improvements	**92,380**	**33,231**	**59,149**
Vehicles	**2,695**	**1,227**	**1,468**
Computer equipment and software under capital leases	**7,597**	**4,538**	**3,059**
	356,289	**131,556**	**224,733**

5. Capital assets (continued)

	2000		
	Cost	Accumulated amortization	Net book value
	$	$	$
Land	32,659	–	32,659
Buildings	93,929	19,086	74,843
Furniture and equipment	51,811	36,055	15,756
Computer equipment and software	45,971	24,174	21,797
Leasehold improvements	79,741	26,535	53,206
Vehicles	1,522	844	678
Computer equipment and software under capital leases	12,474	8,737	3,737
	318,107	115,431	202,676

Capital assets of $570,000 (2000 - $1,088,000) were acquired during the year through capital leases.

6. Other assets

	2001	2000
	$	$
Goodwill	**91,538**	99,560
Deposits on acquisition of assets	**600**	164
Deferred costs	**1,824**	1,984
Future income taxes	**13,423**	10,347
	107,385	112,055

7. Bank loans

The Company has authorized lines of credit renewable annually and bearing interest at a rate based on the prime rate or LIBOR. The authorized lines of credit are as follow:

	2001		2000	
	CAN	**US**	CAN	US
	$	*$*	$	$
Canadian dollars loan	**75,000**	**–**	75,000	–
American dollars loan	**46,152**	**30,000**	44,895	30,000
Letters of credit	**15,384**	**10,000**	14,965	10,000
Issued letters of credit	**6,605**	**4,294**	4,959	3,314

Under the conditions of the credit agreement, the Company must satisfy certain covenants as to minimum financial ratios and must satisfy certain conditions.

8. Long-term debt

	2001	2000
	$	$
Term loan (US $80,800,000), bearing interest at a rate based on prime rate or LIBOR, repayable until June 2003 by quarterly instalments of $4,615,000 (US $3,000,000) subject to the same conditions as short-term bank loans	**124,302**	138,875
Loans, secured by real estate having a net book value of $31,162,000, repayable until March 2022 by maximum monthly cumulative instalments of $245,000 including principal and interest at rates varying from 6.2% to 10.0%	**17,443**	23,961
Computer equipment and software lease agreements, repayable until February 2006 by maximum monthly cumulative instalments of $118,000 including interest calculated at rates varying from 5.1% to 6.6%, with purchase options of $666,000 at maturity	**3,701**	4,227
	145,446	167,063
Current portion	**20,894**	25,363
	124,552	141,700

Repayments to be made during the following years are as follows, assuming that the term loan is renewed with the same principal repayment terms:

	2001		
	Long-term debt	Lease contracts	
	Principal	Principal	Interest
	$	$	$
2002	**19,680**	**1,214**	**194**
2003	**19,298**	**1,119**	**124**
2004	**19,360**	**678**	**66**
2005	**19,427**	**544**	**26**
2006	**19,499**	**146**	**7**

The Company concluded an interest rate swap agreement. This agreement covers the conversion of floating rates into fixed rates. Settlement occurs quarterly. As at May 31, 2001 and 2000, the Company had an obligation on which fixed interest rate of 5.675% was due, on nominal amounts of US $60,000,000 (CAN $92,304,000).

9. Capital stock

Authorized

Unlimited number of Class A subordinate voting shares, participating, one vote per share, exchangeable, at the option of the holder, for the same number of Class B shares in the event of a take-over bid being made in respect to Class B shares, without par value

Unlimited number of Class B shares, participating, ten votes per share, exchangeable for Class A subordinate voting shares on the basis of one Class A subordinate voting share for one Class B share, without par value

Unlimited number of Class C shares, to be issued in one or more series subject to rights, privileges, conditions and restrictions to be determined, non-participating, non-voting, without par value

	2001	2000
Issued	$	$
47,379,960 Class A subordinate voting shares (2000 - 20,307,300)	**198,118**	52,761
65,000,000 Class B shares (2000 - 32,500,000)	**2**	2
	198,120	52,763

9. Capital stock (continued)

Stock split

On September 29, 2000, the Company proceeded to a two-for-one stock split for Class A subordinate voting shares and Class B shares.

Issue

On January 7, 2001, the Company issued 6,500,000 Class A subordinate voting shares in exchange for $146,250,000 in cash. Expenses regarding this issuance, net of income taxes of $2,306,000, amount to $3,796,000.

During the year, some executive officers have exercised their stock options and accordingly the Company has issued 265,360 (2000 - 15,500) Class A subordinate voting shares for a cash consideration of $2,903,000 (2000 - $144,000).

Subsequent event

On June 1, 2001, 2,500,000 Class B shares were exchanged for an equal amount of Class A subordinate voting shares.

Stock option plan

The Company has one fixed stock option plan. Under the 1995 executive officers Stock Option Plan, the Company may grant options to those employees for up to 4 million Class A subordinate voting shares. Under the plan, the exercise price of each option equals the market average ending price of the Company's stock at the Montreal and Toronto's stock exchange on the date of grant and an option's maximum term is 10 years. Granted options become available annually by increments of 20% for a period of 5 years.

Changes that occurred during the year are presented below considering the stock split on September 29, 2000:

Years ended May 31, 2001 and 2000	2001		2000	
	Share	Weighted-average exercise price	Share	Weighted-average exercise price
		$		$
Options outstanding, beginning of year	1,879,000	12.74	291,400	4.75
Options granted	485,600	17.99	1,618,600	14.03
Options exercised	(265,360)	10.94	(31,000)	4.64
Options cancelled	(16,280)	15.65	–	–
Options outstanding, end of year	2,082,960	14.17	1,879,000	12.74
Options exercisable, end of year	724,208	12.44	553,560	10.10

The following table summarizes information about fixed stock options outstanding at May 31, 2001 considering the stock split on September 29, 2000:

	Options outstanding		Options exercisable
Price	Number of options outstanding	Weighted-average remaining contractual life	Number of exercisable options
$		years	
4.38	122,000	3.9	122,000
4.60	30,000	5.5	30,000
6.35	11,000	6.5	5,000
8.48	8,000	6.5	4,000
14.03	1,433,360	8.5	468,608
17.70	351,000	9.3	70,200
18.75	127,600	9.5	24,400
	2,082,960		724,208

10. Foreign currency translation adjustments

These adjustments represent unrealized gains pursuant to the translation of the financial statements of the Company's self-sustaining American subsidiaries. The variation of this item is due to the fluctuation of the exchange rate during the year and to the increase or reduction in the net investment in subsidiaries.

11. Contingencies

Guarantees

The Company has guaranteed the reimbursement of certain bank loans contracted by franchisees to a maximum amount of $40,340,000. As at May 31, 2001, these loans amount to approximately $39,427,000.

Buyback agreements

Under buyback agreements, the Company is committed to financial institutions to purchase the inventories of some of its franchisees up to the amount of advances made by those financial institutions to the franchisees. However, under these agreements, the Company is not committed to cover any deficit that may arise should the value of these inventories be less than the amount of the advances.

Under buyback agreements, the Company is committed to financial institutions, to purchase equipment held by franchisees and financed by capital leases and loans. For capital leases, the buyback value is linked to the net balance of the lease at the date of the buyback. For equipment financed by bank loans, the minimum buyback value is set by contract with the financial institution. As at May 31, 2001, financing related to the equipment amount to approximately $18,623,000. However, it is the opinion of management that the realizable value of the assets cannot be lower than the eventual amount of the buyback.

12. Commitments

The balance of the commitments under the terms of building and vehicle leases maturing in 2021 totals $246,744,000. Minimum payments payable over the next five years are as follows:

	$
2002	50 313
2003	41 991
2004	35 251
2005	29 630
2006	22 606

Under the terms of building leases and subleases, the Company will receive, up to the year 2021, minimum payments totalling $183,168,000. This amount takes into account the renewal of subleases at the same terms and conditions as the lease agreements.

13. Other revenues

	2001	2000
	$	$
Royalties	**75,921**	69,115
Rent	**55,642**	52,770
Advertising	**37,248**	33,020
Sundry	**29,341**	20,132
	198,152	175,037

14. Amortization

	2001	2000
	$	$
Capital assets and real estate	29,110	27,314
Goodwill	17,634	18,032
Deferred costs	604	647
	47,348	45,993

15. Income taxes

The Company's effective tax rate differs from the combined statutory rate. The difference is attributable to the following items:

	2001	2000
	%	%
Combined tax rate	39.0	39.4
Tax rate increase (decrease) resulting from:		
Income taxable at reduced rates	(4.9)	(5.8)
Non-deductible amortization	1.0	1.2
Other	–	0.7
	35.1	35.5

The provision for income taxes is as follows:

	2001	2000
	$	$
Current taxes	64,684	48,360
Future taxes	(7,455)	(1,016)
	57,229	47,344

The temporary differences and deferrals that create future income tax assets and liabilities are the following:

	2001	2000
	$	$
Future income tax assets:		
Inventory	4,874	4,961
Capital assets	8,359	5,065
Goodwill	7,119	5,337
Current liabilities	7,204	5,236
Deferred revenue	4,643	3,757
Capital stock issuance expenses	1,845	–
Other	1,031	388
	35,075	24,744
Future income tax liabilities:		
Capital assets	7,887	7,659
Other	327	169
	8,214	7,828
Future income tax assets, net	26,861	16,916
As follows:		
Short-term future income tax assets	13,759	8,871
Long-term future income tax assets	13,423	10,347
Long-term future income tax liabilities	(321)	(2,302)
	26,861	16,916

16. Fair value of financial instruments

The fair value of cash, temporary investments, receivables, bank loans and payables is comparable to the book value in view of that short maturity.

The fair value of loans, advances and long-term receivables from franchisees has not been determined since these balances result from transactions made in a preferential commercial context and accordingly with terms that could differ from terms negotiated with non-franchisees.

The fair value of the long-term debt, established by discounting the contractual cash flows to interest rates used on the market for debts having similar caracteristics, is comparable to the book value.

17. Segmented information

The Company has three reportable segments: franchising, real estate and retail sales. Within the segment of franchising, the Company carries on the franchising activity of retail stores under the "PJC Jean Coutu" banner, operates a distribution centre and coordinates several other services for the benefit of its franchisees. As at May 31, 2001, the number of franchises totaled 253 (2000 - 252).

The Company operates 251 (2000 - 252) retail sales outlets selling pharmaceutical and other products under "Brooks" banner, 17 (2000 - 4) of which were opened and acquired during the year.

Segmented information is summarized as follows:

	2001			
	Franchising	Real estate	Retail sales	Total
	$	$	$	$
Revenues from external customers	1,310,424	52,732	1,561,688	2,924,844
Amortization:				
Capital assets and real estate	5,060	2,403	21,647	29,110
Goodwill	8,069	–	9,565	17,634
Deferred costs	–	149	455	604
Financial expenses:				
Interest on long-term debt	267	1,395	8,603	10,265
Other interest	381	18	2,793	3,192
Intersegment interest	(11,441)	–	11,441	–
Income before income taxes	116,833	12,376	33,961	163,170
Total assets	420,147	182,667	627,991	1,230,805
Acquisition of capital assets, real estate and goodwill	8,729	21,950	45,156	75,835

17. Segmented information (continued)

	2000			
	Franchising	Real estate	Retail sales	Total
	$	$	$	$
Revenues from external customers	1,176,224	50,209	1,351,259	2,577,692
Amortization:				
Capital assets and real estate	4,876	2,260	20,178	27,314
Goodwill	8,133	10	9,889	18,032
Deferred costs	–	136	511	647
Financial expenses:				
Interest on long-term debt	310	1,723	8,971	11,004
Other interest	1,699	25	2,146	3,870
Intersegment interest	(9,829)	–	9,829	–
Income before income taxes	97,475	11,156	24,904	133,535
Total assets	279,766	163,644	589,261	1,032,671
Acquisition of capital assets, real estate and goodwill	7,960	11,379	41,544	60,883

The Company's sales and other revenues, capital assets, real estate and goodwill attributed to Canada and United States are as follows:

	2001		2000	
	Sales and other revenues	**Capital assets, real estate and goodwill**	Sales and other revenues	Capital assets, real estate and goodwill
	$	**$**	$	$
Canada	**1,363,156**	**250,351**	1,226,433	236,953
United States	**1,561,688**	**248,222**	1,351,259	228,549
Total	**2,924,844**	**498,573**	2,577,692	465,502

18. Comparative figures

Certain 2000 figures have been reclassified to conform with the presentation adopted in 2001.

Board of Directors

Jean Coutu
Chairman of the Board and
Chief Executive Officer

François J. Coutu
Director
President and
Chief Operating Officer

Yvon Béchard
Director
Senior Executive Vice-President
and Assistant Secretary

Barrie D. Birks
Director
President,
Tyringham Investments Ltd.

Louis Coutu
Director
Vice-President,
Commercial Policies

Marie-Josée Coutu
Director
President,
Fondation Marcelle et Jean Coutu

Michel Coutu
Director
President and
Chief Executive Officer,
The Jean Coutu Group (PJC)
U.S.A. Inc.

Sylvie Coutu
Director
President,
Sylvie Coutu Design

Paul Delage Roberge
Director
Chairman of the Board and
Chief Executive Officer,
Les Boutiques San Francisco inc.

Marcel Dutil
Director
Chairman of the Board,
President and
Chief Executive Officer,
The Canam Manac Group Inc.

Nicolle Forget
Director
Corporate Director

Claire Léger
Director
Chairman of the Board,
St-Hubert Group Inc.

Yvon Martineau
Director
Senior Partner,
Fasken Martineau DuMoulin L.L.P.

Jacques Masse
Vice-Chairman of the Board

Erik Péladeau
Director
Vice-Chairman of the Board
Quebecor Inc.

Laurent Picard
Director
Corporate Director

Corporate Officers

The Jean Coutu Group (PJC) Inc.

Jean Coutu
Chairman of the Board and
Chief Executive Officer

François J. Coutu
President and
Chief Operating Officer

Yvon Béchard
Senior Executive Vice-President and
Assistant Secretary

Michel Boucher
Vice-President, Information Systems

Carole Bouthillette
Vice-President, Finance

Denis Courcy
Vice-President,
Human Resources

Louis Coutu
Vice-President,
Commercial Policies

Yvon Goyer
Vice-President,
Services and Promotions

Caroline Guay
Director, Legal Affairs
and Corporate Secretary

Alain Lafortune
Vice-President,
Purchasing, Merchandising and
Advertising

Jacques Lamoureux
Vice-President, Operations

Jacques Masse
Vice-Chairman of the Board

Richard Mayrand
Vice-President,
Professional Activities

Johanne Meloche
Vice-President, Cosmetics,
Exclusive Brands and Beauty
Programs

Jean-Pierre Normandin
Vice-President,
Distribution Centre

Carole Rennie
Controller

The Jean Coutu Group (PJC) U.S.A. Inc.

Michel Coutu
President and Chief Executive
Officer

Kai Goto
Vice-President,
Warehouse and Distribution

C. Daniel Haron
Vice-President, Pharmacy and
Professional Affairs

Don Kinney
Vice-President,
Drugstore Operations

David A. Morocco
Senior Vice-President, Marketing

Susan Manville
Controller

Robert Pouliot
Vice-President, Purchasing

Kathleen Topor
Treasurer

William Z. Welsh, Jr.
Executive Vice-President and
Chief Operating Officer

Randy Wyrofsky
Senior Vice-President, Finance and
Chief Financial Officer

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Stock market information
Ticker symbol : PJC.A
Toronto Stock Exchange

Internet sites
The Jean Coutu Group (PJC) Inc.
www.jeancoutu.com

The Jean Coutu Group (PJC) U.S.A. Inc.
www.brooks-rx.com

Annual General Meeting
The Annual General Meeting of Shareholders of The Jean Coutu Group (PJC) Inc. will be held on September 11, 2001, at 9:30 a.m. at the Company's Head Office at 551 Bériault Street, Longueuil, Quebec.

Annual Information Form
The Annual Information Form for the year ended May 31, 2001, will be available upon request as of October 18, 2001.

Pour obtenir la version française de ce rapport, veuillez écrire à :
Le Groupe Jean Coutu (PJC) inc.
a/s Céline Lamonde
530, rue Bériault
Longueuil, QC J4G 1S8

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The
Jean Coutu
Group (PJC) Inc.

Press release
For immediate publication

THE JEAN COUTU GROUP BRINGS PRECISIONS TO ITS 2001 ANNUAL REPORT

Longueuil, August 21, 2001 — The Jean Coutu Group (PJC) Inc. wishes to clarify some of the financial data appearing on page 1 of its "Highlights" section in its 2001 Annual Report.

In order to take into account the subdivision of Class "A" Subordinate Voting Shares and the Class "B" Shares on a "2-for-1" basis, which took place on September 29, 2000, some of the results presented in the Company's 2001 Annual Report have been revised for the period from 1997 until 2001. These precisions do not affect Jean Coutu Group's financial results for 2000-2001; they simply clarify the presentation of the financials statements. The changes are accompanied by a "(2)" in the "Per Share Data" and "Share Information" sections.

The Jean Coutu Group is the Quebec leader in its sector, ranking second in Canada and eighth in North America. It employs 17,000 people in a network of 252 franchised establishments, 40 PJC Clinic outlets in Quebec, New Brunswick and Ontario, and 251 corporate pharmacies (Brooks Pharmacy) in seven States in the Northeastern United States.

Please find enclosed the revised Highlights section for the 2001 Annual Report.

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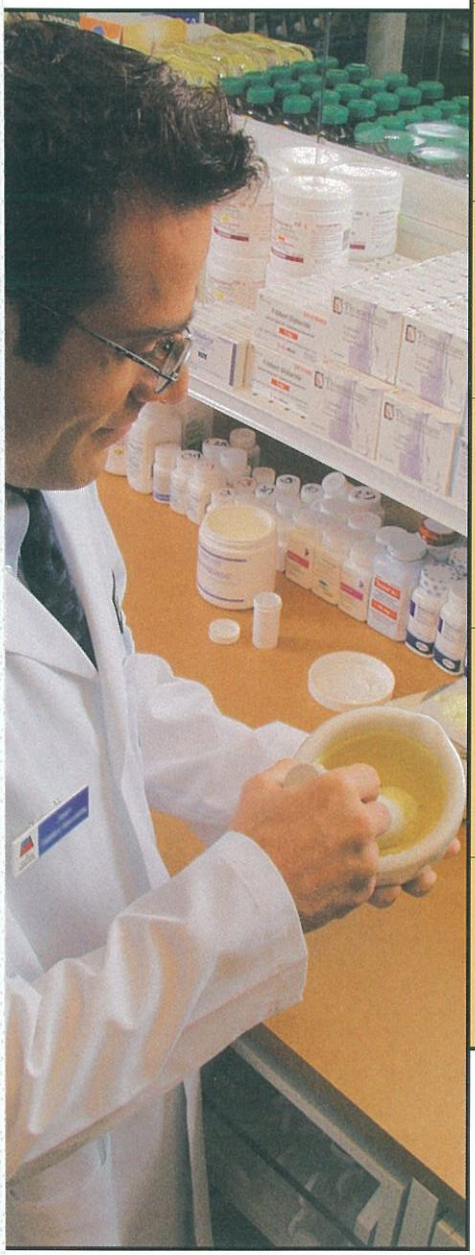
Source: The Jean Coutu Group (PJC) Inc.

Information: Julie Godin
Public Relations
(450) 646-9611, ext. 1307

Financial Highlights

Years ended May 31 (in thousands of dollars except per share data and ratios)	2001	2000	1999	1998	1997
Financial Performance					
Sales and other revenues					
Canada	**1,363,156**	1,226,433	1,111,354	1,001,458	873,256
United States	**1,561,688**	1,351,259	1,178,016	938,616	837,709
Total	**2,924,844**	2,577,692	2,289,370	1,940,074	1,710,965
Earnings before income taxes	**163,170**	133,535	119,457	98,375	87,971
Net earnings	**105,941**	86,191	74,307	63,236	57,025
Cash flow	**146,437**	131,094	114,519	84,777	80,243
Financial Position					
Real estate	**182,302**	163,266	154,291	148,785	136,929
Capital assets	**224,733**	202,676	185,028	151,950	124,120
Total assets	**1,230,805**	1,032,671	920,101	851,206	725,558
Shareholders' equity	**831,927**	588,578	509,465	446,732	378,189
Per Share Data					
Net earnings (1)	**0.98**	0.82	0.70	0.60	0.54
Cash flow (1)	**1.35**	1.24	1.09	0.81	0.77
Dividends (2)	**0.16**	0.12	0.10	0.08	0.07
Shareholders' equity (1)	**7.68**	5.58	4.83	4.24	3.60
Financial Ratios					
Working capital	**2.62:1**	1.82:1	1.84:1	1.33:1	1.31:1
Long-term debt on equity	**0.17:1**	0.28:1	0.36:1	0.19:1	0.22:1
Return on average shareholders' equity (%)	**14.9**	15.7	15.5	15.3	16.2
Network Performances					
Franchised establishments (Canada)	**2,065,244**	1,880,891	1,742,610	1,681,000	1,516,082
Corporate establishments (United States)	**1,534,436**	1,330,750	1,158,689	922,281	822,687
Total	**3,599,680**	3,211,641	2,901,299	2,603,281	2,338,769
Share Information					
High (2)	**27.95**	18.13	19.50	12.70	7.05
Low (2)	**17.10**	13.48	9.50	6.50	4.20
Close (2)	**26.45**	15.00	16.13	11.75	7.03



(1) (2) On September 29, 2000, the Company subdivided its Subordinate Voting Shares and Class B Shares on the basis of two new shares for each existing share. The per share data has been calculated considering the share subdivision.