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Press release
For immediate release

THE JEAN COUTU GROUP – SECOND QUARTER FISCAL YEAR 2011 RESULTS

- **Reports operating income before amortization ("OIBA") of $69.3 million for the second quarter, an increase of 12.9% compared with the second quarter of fiscal year 2010.**

Longueuil, Québec, October 5, 2010 - The Jean Coutu Group (PJC) Inc. (the "Company" or the "Jean Coutu Group") reported its financial results today for the second quarter of fiscal year 2011 ended August 28, 2010.

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

	Q2-2011	Q2-2010	**First half 2011**	First half 2010
	$	$	**$**	$
Revenues	**622.0**	608.7	**1,264.9**	1,228.0
Operating income before amortization ("OIBA")	**69.3**	61.4	**139.4**	126.1
Share of loss in Rite Aid Corporation a company subject to significant influence ("Rite Aid")	**-**	24.3	**-**	55.2
Net earnings	**42.6**	14.9	**85.8**	25.2
Per share	**0.18**	0.07	**0.36**	0.11
Earnings before specific items and share of loss in Rite Aid	**42.8**	37.1	**86.3**	75.6
Per share	**0.18**	0.16	**0.36**	0.32

HIGHLIGHTS

- Revenues increased by 2.2% and OIBA by 12.9% during the second quarter of fiscal year 2011 compared with the same period last year.
- Earnings before specific items and share of loss in Rite Aid is $42.8 million for the second quarter of fiscal year 2011, an increase of 15.4% compared with the second quarter of fiscal year 2010.
- The Jean Coutu pharmacies' network has continued its expansion during the quarter with the opening of 3 new stores.

Financial results

"We are satisfied with the excellent results of the second quarter and first half of fiscal year 2011. By maintaining the pace of our expansion projects and implementing our business plan, we achieved the objectives we had set" said François J. Coutu, President and Chief Executive Officer. "We are still waiting a decision from Quebec's Minister of Health and Social Services concerning the Government of Québec's intention to reduce the price of generic drugs as announced last June 25."

Revenues

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

Revenues amounted to $622.0 million during the second quarter ended August 28, 2010 compared with $608.7 million during the second quarter ended August 29, 2009, an increase of 2.2%. For the first half of fiscal year 2011, revenues amounted to $1,264.9 million compared with $1,228.0 million during the first half of the previous fiscal year, an increase of 3.0%. This increase is attributable to the overall market growth and the expansion of the Jean Coutu Group network of franchised stores.

OIBA

OIBA increased by $7.9 million and amounted to $69.3 million for the second quarter of fiscal year 2011, while amounting to $61.4 million for the second quarter of fiscal year 2010. The increase is mostly attributable to a strong operational performance in the franchising activities and of the subsidiary Pro Doc Ltd. Gross sales of Pro Doc products, net of intercompany's eliminations, amounted to $33.9 million in the second quarter of fiscal year 2011 compared with $22.6 million in the second quarter of fiscal year 2010. OIBA as a percentage of revenues ended the second quarter of fiscal year 2011 at 11.1% compared with 10.1% for the second quarter of the previous fiscal year.

For the first half of fiscal year 2011, OIBA increased by $13.3 million and amounted to $139.4 million compared with $126.1 million during the first half of fiscal year 2010. OIBA as a percentage of revenues ended the first half of fiscal year 2011 at 11.0% compared with 10.3% for the first half of fiscal year 2010.

Share of loss in Rite Aid, a company subject to significant influence

No share of loss in Rite Aid was accounted in the Company's earnings during the second quarter of fiscal year 2011 compared with $24.3 million ($0.10 per share) during the second quarter of the previous fiscal year.

During the fiscal year ended February 27, 2010, the Company's share of loss in Rite Aid exceeded the carrying value of its investment. As required by Canadian GAAP, the Company reduced the carrying value of its investment down to zero and ceased recording its share of loss in Rite Aid exceeding the carrying value of its investment, since the Company has not guaranteed obligations of Rite Aid and is not committed to provide it with further financial support. For the 13-week period ended August 28, 2010, the Company's unrecognized share of loss in Rite Aid amounted to $55.4 million.

As at August 28, 2010, the Company's total unrecognized share of loss in Rite Aid amounted to $163.9 million and the market value of equity interest in Rite Aid was US$224.3 million.

Net earnings

For the second quarter ended August 28, 2010, net earnings amounted to $42.6 million ($0.18 per share) compared with $14.9 million ($0.07 per share) for the second quarter ended August 29, 2009.

For the first half of fiscal year 2011, net earnings amounted to $85.8 million ($0.36 per share) compared with $25.2 million ($0.11 per share) for the first half of fiscal year 2010.

Earnings before specific items and share of loss in Rite Aid amounted to $42.8 million ($0.18 per share) during the second quarter of fiscal year 2011 compared with $37.1 million ($0.16 per share) during the second quarter of fiscal year 2010, an increase of 15.4%.

Earnings before specific items and share of loss in Rite Aid amounted to $86.3 million ($0.36 per share) during the first half of fiscal year 2011 compared with $75.6 million ($0.32 per share) during the first half of fiscal year 2010.

Information on the Jean Coutu Group network of franchised stores
Within the franchising segment, the Company 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 second quarter of fiscal year 2011, on a same-store basis, PJC network retail sales grew 1.9%, pharmacy sales gained 2.2% and front-end sales increased by 0.2% compared with the second quarter of the previous fiscal year. During the second quarter of fiscal year 2011, the sales of non-prescription drugs, which represented 8.4% of total retail sales, increased by 4.5%, whereas these sales had increased by 6.6% during the second quarter of the previous fiscal year.

Due to the introduction of the generic version of large volume drugs during the last 12 months, generic drugs reached 53.2% of drugs' prescriptions during the second quarter of fiscal year 2011 compared with 49.6% during the same period of fiscal 2010. The increase in the number of generic drugs' prescriptions with lower selling prices had a deflationary impact on the pharmacy's retail sales.

Network performance *(1)*	**Q2-2011**	Q2-2010	**First half 2011**	First half 2010
Retail sales *(unaudited, in millions of dollars)*	**$914.1**	$878.9	**$1,844.5**	$1,762.8
Retail sales growth *(in %)*				
Total stores				
Total	**4.0%**	6.7%	**4.6%**	6.7%
Pharmacy	**3.9%**	9.1%	**4.8%**	8.9%
Front-end	**3.1%**	3.7%	**3.6%**	3.7%
Same store				
Total	**1.9%**	3.8%	**2.4%**	3.9%
Pharmacy	**2.2%**	5.8%	**3.0%**	5.7%
Front-end	**0.2%**	1.3%	**0.6%**	1.3%

(1) Franchised outlets' retail sales are not included in the Company's Consolidated Financial Statements

PJC network of franchised stores development
During the second quarter fiscal year 2011, there were 3 store openings including the relocation of one store in the PJC network of franchised stores. In addition, 6 stores were significantly renovated or expanded.

Capital-stock
On April 29, 2010, the Company announced its intention to purchase for cancellation, if it is considered advisable, up to 11,110,000 of its outstanding Class A subordinate voting shares, representing approximately 10% of the current public float of such shares, over a 12-month period ending no later than May 3, 2011. The shares were or will be purchased through the facilities of the Toronto Stock Exchange and in accordance with its requirements.

For the 13-week period ended August 28, 2010, the Company purchased 922,200 Class A subordinate voting shares at an average price of $8.62 per share for a total consideration of $8.0 million including related costs. An amount of $3.1 million representing the excess of the purchase price over the carrying value of the purchased shares was included in deficit. For the 26-week period ended August 28, 2010, the Company purchased 2,590,000 Class A subordinate voting shares at an average price of $8.87 per share for a total consideration of $23.0 million including related costs. An amount of $9.0 million representing the excess of the purchase price over the carrying value of the purchased shares was included in deficit. The shares purchased during the 26-week period ended August 28, 2010 were cancelled.

Dividend
The Board of the Jean Coutu Group declared a quarterly dividend of $0.055 per share. This dividend will be payable on November 5, 2010, to all holders of Class A subordinate voting shares and holders of Class B shares listed in the Company's shareholder ledger as of October 22, 2010.

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 performance measures defined by Canadian GAAP in the related section of this press release.

Strategies and 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 and that the Company 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 will have a deflationary impact on retail sales in the pharmacy section but the contribution of Pro Doc will have a positive impact on the consolidated margins.

Quebec's Minister of Health and Social Services announced, on June 25, its intention to reduce the prices of generic drugs following the implementation of the Ontario's drug reform announced last July. Management of the Company is still waiting for the decision of the Quebec's Minister on this matter. If measures similar to those adopted in Ontario were to be implemented in Quebec, the Company's consolidated results would be impacted

Conference call
Financial analysts are invited to attend the second quarter of fiscal year 2011 results conference call to be held on October 5, 2010, at 9:00 AM (ET). The call-in number is 514-861-2255 or toll free at 1 866-696-5910 – access code 5787510 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 4, 2010. The access code is 7384665, 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 is one of the most trusted names in Canadian pharmacy retailing. The Company operates a network of 378 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, and employs over 17,000 people. Furthermore, as of December 2007, the Jean Coutu Group owns Pro Doc Ltd ("Pro Doc"), a Québec-based subsidiary and manufacturer of generic drugs. The Company also holds a significant interest in Rite Aid Corporation ("Rite Aid") a national chain of drugstores in the United States with over 4,700 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 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 MD&A, 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", the negatives of these terms, the variations of them or the use of other similar terms. 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, namely 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 Company'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 we operate, the intensity of competitive activity in the industry in which we operate, the supplier and brand reputations, our equity interest in Rite Aid Corporation ("Rite Aid"), our 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 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 27, 2010. 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 any other reason, 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 August 28, 2010 and August 29, 2009 *(unaudited, in millions of Canadian dollars, unless otherwise noted)*	13 weeks **2010** **$**	13 weeks 2009 $	26 weeks **2010** **$**	26 weeks 2009 $
Sales	**559.6**	549.0	**1,142.6**	1,108.6
Other revenues	**62.4**	59.7	**122.3**	119.4
	622.0	608.7	**1,264.9**	1,228.0
Operating expenses				
Cost of goods sold	**500.4**	497.3	**1,021.0**	1,000.4
General and operating expenses	**55.9**	53.1	**111.5**	107.5
Amortization of property and equipment	**4.2**	4.4	**8.4**	8.5
	560.5	554.8	**1,140.9**	1,116.4
Operating income	**61.5**	53.9	**124.0**	111.6
Financing expenses (revenues)	**0.5**	(1.9)	**1.1**	(4.1)
Earnings before the following items	**61.0**	55.8	**122.9**	115.7
Share of loss in Rite Aid, a company subject to significant influence	**-**	24.3	**-**	55.2
Income taxes	**18.4**	16.6	**37.1**	35.3
Net earnings	**42.6**	14.9	**85.8**	25.2
Basic and diluted earnings per share, in dollars	**0.18**	0.07	**0.36**	0.11

Consolidated statements of comprehensive income

For the periods ended August 28, 2010 and August 29, 2009 *(unaudited, in millions of Canadian dollars)*	13 weeks **2010** **$**	13 weeks 2009 $	26 weeks **2010** **$**	26 weeks 2009 $
Net earnings	**42.6**	14.9	**85.8**	25.2
Other comprehensive income				
Foreign currency translation adjustments	**-**	0.2	**-**	(6.7)
Comprehensive income	**42.6**	15.1	**85.8**	18.5

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of changes in shareholders' equity

For the periods ended August 28, 2010 and August 29, 2009	13 weeks		26 weeks	
	2010	2009	**2010**	2009
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Capital stock, beginning of period	**641.8**	649.3	**650.8**	648.1
Redemption of stock	**(4.9)**	-	**(14.0)**	-
Options exercised	**-**	0.9	**0.1**	2.1
Capital stock, end of period	**636.9**	650.2	**636.9**	650.2
Contributed surplus, beginning of period	**32.9**	30.7	**32.7**	28.4
Stock-based compensation cost	**0.2**	0.2	**0.4**	0.4
Stock-based compensation in Rite Aid, a company subject to significant influence	**-**	1.4	**-**	3.5
Contributed surplus, end of period	**33.1**	32.3	**33.1**	32.3
Deficit, beginning of period	**(229.7)**	(324.4)	**(254.0)**	(324.1)
Net earnings	**42.6**	14.9	**85.8**	25.2
Dividends	**(12.8)**	(10.7)	**(25.8)**	(21.3)
Excess of purchase price over carrying value of Class A subordinate voting shares acquired	**(3.1)**	-	**(9.0)**	-
Deficit, end of period	**(203.0)**	(320.2)	**(203.0)**	(320.2)
Accumulated other comprehensive income, beginning of period	**80.1**	96.3	**80.1**	103.2
Foreign currency translation adjustments	**-**	0.2	**-**	(6.7)
Accumulated other comprehensive income, end of period	**80.1**	96.5	**80.1**	96.5
Total shareholders' equity	**547.1**	458.8	**547.1**	458.8

THE JEAN COUTU GROUP (PJC) INC.

Consolidated balance sheets

	As at August 28, 2010	As at February 27, 2010
(in millions of Canadian dollars)	**$**	$
	(unaudited)	(audited)
Assets		
Current assets		
Accounts receivable	**179.6**	194.1
Inventories	**168.6**	163.8
Prepaid expenses and others	**10.0**	8.8
	358.2	366.7
Investments	**62.5**	61.0
Property and equipment	**408.1**	394.6
Goodwill	**36.0**	36.0
Other long-term assets	**131.4**	126.6
	996.2	984.9
Liabilities		
Current liabilities		
Bank overdraft	**11.3**	13.3
Accounts payable and accrued liabilities	**188.3**	195.2
Income taxes payable	**24.9**	36.1
	224.5	244.6
Long-term debt	**194.8**	199.9
Other long-term liabilities	**29.8**	30.8
	449.1	475.3
Shareholders' equity		
Capital stock	**636.9**	650.8
Contributed surplus	**33.1**	32.7
Deficit	**(203.0)**	(254.0)
Accumulated other comprehensive income	**80.1**	80.1
	(122.9)	(173.9)
	547.1	509.6
	996.2	984.9

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of cash flows

For the periods ended August 28, 2010 and August 29, 2009	13 weeks		26 weeks	
	2010	2009	**2010**	2009
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Operating activities				
Net earnings	**42.6**	14.9	**85.8**	25.2
Items not affecting cash				
Amortization	**7.8**	7.5	**15.4**	14.5
Change in fair value of third party asset-backed commercial paper and related options of repayment	**0.2**	(2.1)	**0.5**	(4.0)
Share of loss in Rite Aid, a company subject to significant influence	**-**	24.3	**-**	55.2
Future income taxes	**1.2**	1.3	**2.3**	7.4
Other	**0.8**	(0.7)	**1.4**	(1.9)
	52.6	45.2	**105.4**	96.4
Net changes in non-cash asset and liability items	**(8.6)**	(4.5)	**(10.1)**	(12.9)
Cash flow related to operating activities	**44.0**	40.7	**95.3**	83.5
Investing activities				
Investments	**(3.1)**	0.8	**(4.2)**	0.7
Purchase of property and equipment	**(13.0)**	(14.0)	**(23.3)**	(24.1)
Proceeds from disposal of property and equipment	**-**	0.1	**2.5**	0.1
Other long-term assets	**(4.3)**	(12.9)	**(14.5)**	(21.8)
Cash flow related to investing activities	**(20.4)**	(26.0)	**(39.5)**	(45.1)
Financing activities				
Net change in revolving credit facility, net of fees	**9.9**	(1.7)	**(5.1)**	(14.8)
Repayment of long-term debt	**-**	(1.4)	**-**	(2.5)
Issuance of capital stock	**-**	0.9	**0.1**	2.1
Redemption of capital stock	**(9.4)**	-	**(23.0)**	-
Dividends	**(12.8)**	(10.7)	**(25.8)**	(21.3)
Cash flow related to financing activities	**(12.3)**	(12.9)	**(53.8)**	(36.5)
Net change in cash and cash equivalents	**11.3**	1.8	**2.0**	1.9
Bank overdraft, beginning of period	**(22.6)**	(21.1)	**(13.3)**	(21.2)
Bank overdraft, end of period	**(11.3)**	(19.3)	**(11.3)**	(19.3)

THE JEAN COUTU GROUP (PJC) INC.

Unaudited additional information

For the periods ended August 28, 2010 and August 29, 2009

(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, which is a performance measure defined by GAAP, is reconciled hereunder with OIBA.

	13 weeks		26 weeks	
	2010	2009	**2010**	2009
	$	$	**$**	$
Net earnings	**42.6**	14.9	**85.8**	25.2
Financing expenses (revenues)	**0.5**	(1.9)	**1.1**	(4.1)
Share of loss in Rite Aid	**-**	24.3	**-**	55.2
Income taxes	**18.4**	16.6	**37.1**	35.3
Operating income	**61.5**	53.9	**124.0**	111.6
Amortization of property and equipment	**4.2**	4.4	**8.4**	8.5
Amortization of incentives paid to franchisees (1)	**3.6**	3.1	**7.0**	6.0
Operating income before amortization	**69.3**	61.4	**139.4**	126.1

(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 (or earnings per share) before specific items and earnings (or earnings per share) before specific items and share of loss in Rite Aid 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 and earnings per share are reconciled hereunder to earnings (and earnings per share) before specific items and earnings (and earnings per share) before specific items and share of loss in Rite Aid. All amounts are net of income taxes when applicable.

	13 weeks		26 weeks	
	2010	2009	**2010**	2009
	$	$	**$**	$
Net earnings	**42.6**	14.9	**85.8**	25.2
Unrealized foreign exchange gains on monetary items	**-**	-	**-**	(0.8)
Change in fair value of third party asset-backed commercial paper and related options of repayment	**0.2**	(2.1)	**0.5**	(4.0)
Earnings before specific items	**42.8**	12.8	**86.3**	20.4
Share of loss in Rite Aid	**-**	24.3	**-**	55.2
Earnings before specific items and share of loss in Rite Aid	**42.8**	37.1	**86.3**	75.6
Earnings per share	**0.18**	0.07	**0.36**	0.11
Change in fair value of third party asset-backed commercial paper and related options of repayment	**-**	(0.01)	**-**	(0.02)
Earnings per share before specific items	**0.18**	0.06	**0.36**	0.09
Share of loss in Rite Aid	**-**	0.10	**-**	0.23
Earnings per share before specific items and share of loss in Rite Aid	**0.18**	0.16	**0.36**	0.32