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 2011 RESULTS

- **Reports operating income before amortization ("OIBA") of 70.1 million for the first quarter, an increase of 8.3% compared with the first quarter of fiscal year 2010.**

Longueuil, Québec, July 6, 2010 - 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 2011 ended May 29, 2010.

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

	Q1-2011	Q1-2010
	$	$
Revenues	**642.9**	619.3
Operating income before amortization ("OIBA")	**70.1**	64.7
Share of loss in Rite Aid a company subject to significant influence ("Rite Aid")	**-**	30.9
Net earnings	**43.2**	10.3
Per share	**0.18**	0.04
Earnings before specific items and share of loss in Rite Aid	**43.5**	38.5
Per share	**0.18**	0.16

HIGHLIGHTS

- Revenues increased by 3.8% and OIBA increased by 8.3% during the first quarter of fiscal year 2011 compared with the same period last year.
- Earnings before specific items and share of loss in Rite Aid is $43.5 million for the first quarter of fiscal year 2011, an increase of 13% compared with the first quarter of fiscal year 2010.
- The Jean Coutu pharmacies' network has continued its expansion during the quarter with the opening of nine new stores.

Financial results

"We are satisfied with the results of the first quarter of fiscal 2011. The expansion of our network and the solid operating performance of our organization have allowed us to reach our objectives," said François J. Coutu, President and Chief Executive Officer. "As for the reduction in the price of generic drugs announced by the Minister of Health and Social Services of Quebec, we will make representations for the Company and the pharmacist owners affiliated with the PJC Jean Coutu network through the associations involved. We strongly believe that the Government of Quebec must recognize that a reduction in the price of generic drugs must be adopted concurrently with measures in order to assist market participants with the transition to lower generic drug prices.

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 $642.9 million during the first quarter ended May 29, 2010 compared with $619.3 million during the first quarter ended May 30, 2009, an increase of 3.8%. 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 $5.4 million and amounted to $70.1 million for the first quarter of fiscal year 2011, while amounting to $64.7 million for the first 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. Gross sales of Pro Doc products, net of intercompany's eliminations, amounted to $30.9 million in the first quarter of fiscal year 2011 compared with $19.2 million in the first quarter of fiscal year 2010. OIBA as a percentage of revenues ended the first quarter of fiscal year 2011 at 10.9% compared with 10.4% for the first quarter of the previous fiscal year.

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 first quarter of fiscal year 2011 compared with $30.9 million ($0.13 per share) during the first quarter of the previous fiscal year. This is a non-cash charge.

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 May 29, 2010, the Company's unrecognized share of loss in Rite Aid amounted to $19.1 million.

As at May 29, 2010, the Company's total unrecognized share of loss in Rite Aid amounted to $108.5 million and the market value of equity interest in Rite Aid was US$289.8 million.

Net earnings

For the first quarter ended May 29, 2010, net earnings amounted to $43.2 million ($0.18 per share) compared with $10.3 million ($0.04 per share) for the first quarter ended May 30, 2009.

Earnings before specific items and share of loss in Rite Aid amounted to $43.5 million ($0.18 per share) during the first quarter of fiscal year 2011 compared with $38.5 million ($0.16 per share) during the first quarter of fiscal year 2010, an increase of 13.0%.

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 Santé" and "PJC Santé Beauté", operates two distribution centres and coordinates several other services for the benefit of its franchisees.

During the first quarter of fiscal year 2011, on a same-store basis, PJC network retail sales grew 2.9%, pharmacy sales gained 3.8% and front-end sales increased by 1.0% compared with the first quarter of the previous fiscal year. During the first quarter of fiscal year 2011, the sales of non-prescription drugs, which represented 9% of total retail sales, increased by 2.2%, whereas these sales had increased by 7.2% during the first quarter of the previous fiscal year.

Network performance (1)	Q1-2011	Q1-2010
Retail sales *(unaudited, in millions of dollars)*	**$930.4**	$883.9
Retail sales growth *(in %)*		
Total stores		
Total	**5.3%**	6.7%
Pharmacy	**5.8%**	8.7%
Front-end	**4.1%**	3.7%
Same store		
Total	**2.9%**	3.9%
Pharmacy	**3.8%**	5.7%
Front-end	**1.0%**	1.2%

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

PJC network of franchised stores development
During the first quarter fiscal year 2011, there were 9 store openings including 2 relocations in the PJC network of franchised stores. In addition, 8 stores were significantly renovated or expanded and one store was closed.

Normal course issuer bid
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 May 29, 2010, the Company purchased 1,667,800 Class A subordinate voting shares at an average price of $9.01 per share for a total consideration of $15.0 million including related costs. An amount of $5.9 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 13-week period ended May 29, 2010 were cancelled during that period, except for 806,900 shares that were cancelled after May 29, 2010.

On May 25, 2010, following the 3,000,000 Class B shares donation by Mr. Jean Coutu to the Marcelle and Jean Coutu Foundation, the Company issued 3,000,000 Class A subordinate voting shares. This issuance follows the exercise of exchange privilege of 3,000,000 Class B shares against Class A subordinate voting shares on the basis of one Class A subordinate voting share for each Class B share exchanged.

Board of Directors
In late April 2010, Mr. Peter Simons, President of La Maison Simons, announced that he was leaving the Board of Directors of The Jean Coutu Group after 4 years of services. The shareholders and directors are grateful for his contribution to our success.

Dividend

The Board of the Jean Coutu Group declared a quarterly dividend of $0.055 per share. This dividend will be payable on August 6, 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 July 23, 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 management of the Company has been informed of the prescription drug reform announced by the Minister of Health and Long-term Care in Ontario. This reform will cause a reduction in the price of generic drugs as well as a decrease in the professional allowances paid to pharmacists by generic drug manufacturers. Management does not believe that the reform in Ontario will have a significant impact on the consolidated results of the Company due to the volume of business generated in this province.

In addition, Quebec's Minister of Health and Social Services announced on June 25, that as of July 2010, the price of generic drugs will generally be established at 25% of the price for the original equivalent. The Minister also mentioned that the implementation of this reduction in prices will be postponed for a period of 4 to 8 weeks in order to consult interested parties. If measures similar to those adopted in Ontario were to be implemented in Quebec, the Company's consolidated results could be impacted.

Conference call

Financial analysts are invited to attend the first quarter of fiscal year 2011 results conference call to be held on July 6, 2010, at 8:30 AM (ET). The toll free call-in number is 1 888-789-9572 – access code 2233467 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 6, 2010. The access code is 7320085, 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 376 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 more than 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 nearly 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 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 May 29, 2010 and May 30, 2009	13 weeks 2010	2009
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**$**	$
Sales	**583.0**	559.6
Other revenues	**59.9**	59.7
	642.9	619.3
Operating expenses		
Cost of goods sold	**520.6**	503.1
General and operating expenses	**55.6**	54.4
Amortization of property and equipment	**4.2**	4.1
	580.4	561.6
Operating income	**62.5**	57.7
Financing expenses (revenues)	**0.6**	(2.2)
Earnings before the following items	**61.9**	59.9
Share of loss in Rite Aid, a company subject to significant influence	**-**	30.9
Income taxes	**18.7**	18.7
Net earnings	**43.2**	10.3
Basic and diluted earnings per share, in dollars	**0.18**	0.04

Consolidated statements of comprehensive income

For the periods ended May 29, 2010 and May 30, 2009	13 weeks 2010	2009
(unaudited, in millions of Canadian dollars)	**$**	$
Net earnings	**43.2**	10.3
Other comprehensive income		
Foreign currency translation adjustments	**-**	(6.9)
Comprehensive income	**43.2**	3.4

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of changes in shareholders' equity

For the periods ended May 29, 2010 and May 30, 2009	13 weeks 2010	2009
(unaudited, in millions of Canadian dollars)	**$**	$
Capital stock, beginning of period	**650.8**	648.1
Redemption of stock	**(9.1)**	-
Options exercised	**0.1**	1.2
Capital stock, end of period	**641.8**	649.3
Contributed surplus, beginning of period	**32.7**	28.4
Stock-based compensation cost	**0.2**	0.2
Stock-based compensation in Rite Aid, a company subject to significant influence	**-**	2.1
Contributed surplus, end of period	**32.9**	30.7
Deficit, beginning of period	**(254.0)**	(324.1)
Net earnings	**43.2**	10.3
Dividends	**(13.0)**	(10.6)
Excess of purchase price over carrying value of Class A subordinate voting shares acquired	**(5.9)**	-
Deficit, end of period	**(229.7)**	(324.4)
Accumulated other comprehensive income, beginning of period	**80.1**	103.2
Foreign currency translation adjustments	**-**	(6.9)
Accumulated other comprehensive income, end of period	**80.1**	96.3
Total shareholders' equity	**525.1**	451.9

THE JEAN COUTU GROUP (PJC) INC.

Consolidated balance sheets

(in millions of Canadian dollars)	**As at May 29, 2010**	As at February 27, 2010
	$	$
	(unaudited)	(audited)
Assets		
Current assets		
Accounts receivable	**197.4**	194.1
Inventories	**166.6**	163.8
Prepaid expenses and others	**10.8**	8.8
	374.8	366.7
Investments	**60.6**	61.0
Property and equipment	**399.6**	394.6
Goodwill	**36.0**	36.0
Other long-term assets	**132.5**	126.6
	1,003.5	984.9
Liabilities		
Current liabilities		
Bank overdraft	**22.6**	13.3
Accounts payable and accrued liabilities	**217.8**	195.2
Income taxes payable	**22.9**	36.1
	263.3	244.6
Long-term debt	**184.8**	199.9
Other long-term liabilities	**30.3**	30.8
	478.4	475.3
Shareholders' equity		
Capital stock	**641.8**	650.8
Contributed surplus	**32.9**	32.7
Deficit	**(229.7)**	(254.0)
Accumulated other comprehensive income	**80.1**	80.1
	(149.6)	(173.9)
	525.1	509.6
	1,003.5	984.9

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of cash flows

	13 weeks	
For the periods ended May 29, 2010 and May 30, 2009	**2010**	2009
(unaudited, in millions of Canadian dollars)	**$**	$
Operating activities		
Net earnings	**43.2**	10.3
Items not affecting cash		
Amortization	**7.6**	7.0
Change in fair value of third party asset-backed commercial paper and related options of repayment	**0.3**	(1.9)
Share of loss in Rite Aid, a company subject to significant influence	**-**	30.9
Future income taxes	**1.1**	6.1
Other	**0.6**	(1.2)
	52.8	51.2
Net changes in non-cash asset and liability items	**(1.5)**	(8.4)
Cash flow related to operating activities	**51.3**	42.8
Investing activities		
Investments	**(1.1)**	(0.1)
Purchase of property and equipment	**(10.3)**	(10.1)
Proceeds from disposal of property and equipment	**2.5**	-
Other long-term assets	**(10.2)**	(8.9)
Cash flow related to investing activities	**(19.1)**	(19.1)
Financing activities		
Net change in revolving credit facility, net of fees	**(15.0)**	(13.1)
Repayment of long-term debt	**-**	(1.1)
Issuance of capital stock	**0.1**	1.2
Redemption of capital stock	**(13.6)**	-
Dividends	**(13.0)**	(10.6)
Cash flow related to financing activities	**(41.5)**	(23.6)
Net change in cash and cash equivalents	**(9.3)**	0.1
Bank overdraft, beginning of period	**(13.3)**	(21.2)
Bank overdraft, end of period	**(22.6)**	(21.1)

(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	
	2010	2009
	$	$
Net earnings	**43.2**	10.3
Financing expenses (revenues)	**0.6**	(2.2)
Share of loss in Rite Aid	**-**	30.9
Income taxes	**18.7**	18.7
Operating income	**62.5**	57.7
Amortization of property and equipment	**4.2**	4.1
Amortization of incentives paid to franchisees [1]	**3.4**	2.9
Operating income before amortization	**70.1**	64.7

[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	
	2010	2009
	$	$
Net earnings	**43.2**	10.3
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	**0.3**	(1.9)
Earnings before specific items	**43.5**	7.6
Share of loss in Rite Aid	**-**	30.9
Earnings before specific items and share of loss in Rite Aid	**43.5**	38.5
Earnings per share	**0.18**	0.04
Change in fair value of third party asset-backed commercial paper and related options of repayment	**-**	(0.01)
Earnings per share before specific items	**0.18**	0.03
Share of loss in Rite Aid	**-**	0.13
Earnings per share before specific items and share of loss in Rite Aid	**0.18**	0.16