The Jean Coutu Group (PJC) Inc.

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Press release
For immediate release

THE JEAN COUTU GROUP – FIRST QUARTER OF FISCAL YEAR 2012 RESULTS

- **Operating income before depreciation and amortization ("OIBA") amounted to $77.1 million, an increase of 9.7% compared with the first quarter of fiscal year 2011.**
- **Profit per share amounted to $0.22 compared with $0.19 during the first quarter of fiscal year 2011.**

Longueuil, Québec, July 5, 2011 - The Jean Coutu Group (PJC) Inc. (the "Corporation" or the "Jean Coutu Group") reported its financial results today for the first quarter of fiscal year 2012 ended May 28, 2011

SUMMARY OF RESULTS

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

	Q1-2012	Q1-2011
	$	$
Revenue	**660.6**	646.3
Operating income before depreciation and amortization ("OIBA")	**77.1**	70.3
Net profit	**49.9**	43.9
Per share	**0.22**	0.19

HIGHLIGHTS

- The operating income increased significantly despite the generic drugs prices reduction to 30% of the brand name drugs prices last April, as previously decreed by the Québec government.
- The Corporation has prepared for the first time its consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS").
- The Corporation repurchased 2,205,450 Class A subordinate voting shares at an average price of $10.98 per share during the first quarter of fiscal year 2012.

Financial results

"We are very satisfied with the results of the first quarter of fiscal 2012. Despite the price reductions of generic drugs decreed by the provincial governments, we have posted a significant growth of our operational results, which demonstrates the relevance of our strategies and the strength of our organization," said François J. Coutu, President and Chief Executive Officer. "We have started fiscal 2012 with optimism and remain confident that we will be reaching the objectives that we have set".

International Financial Reporting Standards ("IFRS")

All figures in this release are in Canadian dollars and presented according to IFRS accounting standards. In preparing its comparative information for fiscal year 2011, the Corporation adjusted amounts previously reported in the financial statements prepared in accordance with Canadian Generally Accepted Accounting principles "Canadian GAAP". Readers are referred to Note 20 of the Corporation's unaudited condensed consolidated interim financial statements for the first quarter of 2012 for further information about the transition to IFRS.

Revenue

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

Revenue amounted to $660.6 million during the first quarter ended May 28, 2011, compared with $646.3 million during the first quarter ended May 29, 2010, an increase of 2.2%. This increase is attributable to overall market growth and the expansion of the PJC network of franchised stores, despite the deflationary impact on revenue from the introduction of the generic version of large volume drugs as well as the price reductions of generic drugs previously decreed by the Québec government.

OIBA

OIBA increased by $6.8 million to $77.1 million for the first quarter of fiscal year 2012 compared with $70.3 million for the first quarter of fiscal year 2011. This increase is mostly attributable to a strong operational performance of the franchising activities and of the subsidiary Pro Doc Ltd. Gross sales of Pro Doc drugs, net of intersegment's eliminations, amounted to $35.9 million in the first quarter ended May 28, 2011, compared with $30.9 million for the same period of fiscal year 2011. OIBA as a percentage of revenue ended the first quarter of fiscal year 2012 at 11.7% compared with 10.9% for the first quarter of the previous fiscal year.

Rite Aid

During the fiscal year ended February 28, 2010, the Corporation's share of loss in Rite Aid exceeded the carrying value of its investment. As required by IFRS, the Corporation reduced the carrying value of its investment down to zero and ceased recording its share of loss in Rite Aid exceeding the carrying value. For the first quarter ended May 28, 2011, the Corporation's unrecognized share of loss in Rite Aid amounted to $16.2 million.

In accordance with the provisions of Rule 144 under the Securities Act of 1933, The Jean Coutu Group filed today a notice confirming its intent to dispose approximately 25,000,000 of its 251,975,262 common shares of Rite Aid. The Jean Coutu Group, along with its representatives on the Board of Directors of Rite Aid, remain supportive of the turnaround plan being executed by Rite Aid's Management. The Corporation decided to monetize a portion of this investment although we currently intend to remain the largest shareholder of Rite Aid.

Net profit

Net profit amounted to $49.9 million ($0.22 per share) during the first quarter ended May 28, 2011 compared with $43.9 million ($0.19 per share) during the first quarter ended May 29, 2010.

Information on the PJC network of franchised stores

The Corporation carries on the franchising activity under the banners of PJC Jean Coutu, PJC Clinique, PJC Jean Coutu Santé and PJC Jean Coutu Santé Beauté, operates two distribution centres and coordinates several other services for the benefit of its franchisees.

On a same-store basis, the PJC network's retail sales grew by 0.9%, pharmacy sales gained 0.1% and front-end sales increased by 1.6% in the first quarter of fiscal year 2012 compared with the same period last year. During the first quarter ended May 28, 2011, sales of non-prescription drugs, which represented 9% of total retail sales, increased by 6.6%, whereas these sales had increased by 2.2% during the first quarter of the previous fiscal year.

Following the introduction of the generic version of large volume drugs over the last 12 months, generic drugs reached 56.5% of drugs prescriptions during the first quarter of fiscal year 2012 compared with 51.4% during the same quarter of the previous fiscal year. The increase in the number of generic drugs prescriptions with lower selling prices than brand name drugs had a deflationary impact on the pharmacy's retail sales. Therefore, the introduction of new generic drugs reduced pharmacy's retail sales growth by 3.4% and price reductions of generic drugs decreed by the Québec government reduced the growth of those sales by 2.8% during the first quarter of fiscal year 2012.

Network performance *(1)*	**Q1-2012**	Q1-2011
Retail sales *(unaudited, in millions of dollars)*	**$957.2**	$930.4
Retail sales growth *(in %)*		
Total stores		
Total	**2.9%**	5.3%
Pharmacy	**2.2%**	5.8%
Front-end	**3.4%**	4.1%
Same store		
Total	**0.9%**	2.9%
Pharmacy	**0.1%**	3.8%
Front-end	**1.6%**	1.0%

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

PJC network of franchised stores expansion

During the first quarter of fiscal year 2012, there were 7 store openings in the PJC network of franchised stores, including 3 relocations and 1 store has been closed. In addition, 9 stores were significantly renovated or expanded.

Capital-stock

On May 2, 2011, the Corporation announced its intention to repurchase for cancellation, if it is considered advisable, up to 10,400,000 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, 2012. The shares were or will be repurchased through the facilities of the Toronto Stock Exchange and in accordance with its requirements.

For the 13-week period ended May 28, 2011, the Corporation repurchased 2,205,450 Class A subordinate voting shares at an average price of $10.98 per share for a total consideration of $24.2 million including related costs. An amount of $12.4 million representing the excess of the purchase price over the carrying value of the repurchased shares was recorded in the retained earnings for the 13-week period ended May 28, 2011. The shares repurchased during the period ended May 28, 2011 were cancelled.

Dividend

The Board of the Jean Coutu Group declared a quarterly dividend of $0.06 per share. This dividend will be paid on August 5, 2011, to all holders of Class A subordinate voting shares and holders of Class B shares listed in the Corporation's shareholder ledger as of July 22, 2011.

Strategies and outlook

With its operations and financial flexibility, the Corporation is very well positioned to capitalize on the growth in the drugstore retail industry. Demographic trends are expected to contribute to the growth in prescription drugs' consumption and to the increased use of pharmaceuticals as the primary intervention in individual healthcare. Management believes that these trends will continue and that the Corporation will maintain its growth in sales 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 however have a deflationary impact on retail sales in the pharmacy section but the contribution of Pro Doc will have a positive impact on consolidated margins.

Conference call
Financial analysts and investors are invited to attend the first quarter of fiscal year 2012 results conference call to be held on July 5, 2011, at 8:30 AM (ET). The call-in number is 514 861-2909 or toll free at 1 877 695-6175, access code 8238674 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 4, 2011. The access code is 1640134, followed by pound sign (#).

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

About The Jean Coutu Group
The Jean Coutu Group is one of the most trusted names in Canadian pharmacy retailing. The Corporation operates a network of 392 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 close to 19,000 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 Corporation also holds a significant interest in Rite Aid Corporation ("Rite Aid") a national chain of drugstores in the United States with approximately 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 Corporation'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 Corporation's strategy for growth, costs, operating or financial results, are forward-looking statements. All statements other than statements of historical facts included in this MD&A, including statements regarding the prospects of the Corporation's industry and the Corporation's prospects, plans, financial position and business strategy may constitute forward-looking statements within the meaning of the Canadian securities legislation and regulations. Some of the forward-looking statements may be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "project", "could", "anticipate", "plan", "foresee", "believe" or "continue", the negatives of these terms, the variations of them or the use of other similar terms. Although the Corporation believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. These statements do not reflect the potential impact of any 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 Corporation's business model, changes in laws and regulations, or in their interpretations, changes to tax regulations and accounting pronouncements, the cyclical and seasonal variations in the industry in which 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 Corporation's actual results to differ from current expectations, please also refer to the Corporation's public filings available at www.sedar.com and www.jeancoutu.com. In particular, further details and descriptions of these and other factors are disclosed in the Corporation's Annual Information Form under "Risk Factors" and in the "Risks and uncertainties" section of the MD&A for the fiscal year ended February 26, 2011. 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 income

For the periods ended May 28, 2011 and May 29, 2010	13 weeks 2011	13 weeks 2010
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**$**	$
Sales	**593.9**	583.0
Other revenues	**66.7**	63.3
	660.6	646.3
Operating expenses		
Cost of sales	**526.2**	520.6
General and operating expenses	**57.3**	55.4
Operating income before depreciation and amortization	**77.1**	70.3
Depreciation and amortization	**7.4**	6.8
Operating income	**69.7**	63.5
Financing expenses (revenues), net	**0.5**	0.7
Profit before income taxes	**69.2**	62.8
Income taxes	**19.3**	18.9
Net profit	**49.9**	43.9
Basic and diluted profit per share, in dollars	**0.22**	0.19

Consolidated statements of comprehensive income

For the periods ended May 28, 2011 and May 29, 2010	13 weeks 2011	13 weeks 2010
(unaudited, in millions of Canadian dollars)	**$**	$
Net profit	**49.9**	43.9
Other comprehensive income	**-**	-
Total comprehensive income	**49.9**	43.9

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of changes in equity

For the periods ended May 28, 2011 and May 29, 2010	13 weeks	
	2011	2010
(unaudited, in millions of Canadian dollars)	**$**	$
Capital stock, beginning of period	**614.4**	650.8
Redemption of capital stock	**(11.8)**	(9.1)
Options exercised	**-**	0.1
Capital stock, end of period	**602.6**	641.8
Contributed surplus, beginning of period	**1.4**	0.6
Share-based compensation cost	**0.2**	0.2
Contributed surplus, end of period	**1.6**	0.8
Reserve		
Employee benefits reserve, beginning and end of period	**(0.9)**	(0.9)
Deficit, beginning of period	**(16.6)**	(121.4)
Net profit	**49.9**	43.9
Dividends	**(13.8)**	(13.0)
Excess of purchase price over carrying value of Class A subordinate voting shares acquired	**(12.4)**	(5.9)
Total retained earnings (deficit), end of period	**7.1**	(96.4)
Equity, end of period	**610.4**	545.3

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of financial position

(unaudited, in millions of Canadian dollars)	**As at May 28, 2011** **$**	As at February 26, 2011 $	As at February 28, 2010 $
Current assets			
Trade and other receivables	**197.8**	193.5	192.7
Inventories	**163.7**	173.2	163.8
Prepaid expenses	**7.7**	6.9	5.0
	369.2	373.6	361.5
Non-current assets			
Long-term receivables from franchisees	**31.0**	34.7	33.3
Other financial assets	**17.5**	23.0	22.7
Investment in associates	**6.2**	7.6	7.9
Property and equipment	**362.7**	362.4	341.3
Investment property	**20.7**	20.5	24.0
Intangible assets	**180.8**	174.4	137.7
Goodwill	**36.0**	36.0	36.0
Deferred tax	**16.6**	17.4	21.2
Other long-term assets	**9.9**	10.1	10.2
Total assets	**1,050.6**	1,059.7	995.8
Current liabilities			
Bank overdraft	**36.3**	16.5	13.3
Trade and other payables	**215.8**	208.7	193.8
Income taxes payable	**27.3**	35.6	41.1
Short term portion of long-term debt	**144.8**	-	-
	424.2	260.8	248.2
Non-current liabilities			
Long-term debt	**-**	184.8	199.9
Deferred tax	**1.4**	1.4	1.3
Other long-term liabilities	**14.6**	14.4	17.3
Total liabilities	**440.2**	461.4	466.7
Equity			
Capital stock	**602.6**	614.4	650.8
Contributed surplus	**1.6**	1.4	0.6
Reserves	**(0.9)**	(0.9)	(0.9)
Retained earnings (deficit)	**7.1**	(16.6)	(121.4)
Total equity	**610.4**	598.3	529.1
Total liabilities and equity	**1,050.6**	1,059.7	995.8

THE JEAN COUTU GROUP (PJC) INC.

Consolidated statements of cash flows

For the periods ended May 28, 2011 and May 29, 2010	13 weeks	
	2011	2010
(unaudited, in millions of Canadian dollars)	**$**	$
Operating activities		
Net profit	**49.9**	43.9
Adjustments for:		
Depreciation and amortization	**7.4**	6.8
Change in fair value of other financial assets	**(0.3)**	0.3
Income taxes	**19.3**	18.9
Interest on long-term debt and other interest	**0.7**	0.5
Others	**(0.7)**	0.6
	76.3	71.0
Net changes in non-cash asset and liability items	**10.8**	11.5
Interest paid	**(0.8)**	(0.5)
Income taxes paid	**(26.8)**	(30.7)
Cash flow related to operating activities	**59.5**	51.3
Investing activities		
Purchase of property and equipment	**(4.8)**	(10.1)
Proceeds from disposal of property and equipment	**-**	1.8
Purchase of investment property	**-**	(0.2)
Proceeds from disposal of investment property	**0.6**	0.7
Net change in long-term receivables from franchisees	**3.2**	(1.3)
Receipts from other financial assets	**5.8**	0.2
Purchase of intangible assets	**(8.9)**	(10.2)
Others	**2.5**	-
Cash flow related to investing activities	**(1.6)**	(19.1)
Financing activities		
Net change in revolving credit facility	**(39.9)**	(15.0)
Issuance of capital stock	**-**	0.1
Redemption of capital stock	**(24.0)**	(13.6)
Dividends paid	**(13.8)**	(13.0)
Cash flow related to financing activities	**(77.7)**	(41.5)
Net change in cash and cash equivalents	**(19.8)**	(9.3)
Bank overdraft, beginning of period	**(16.5)**	(13.3)
Bank overdraft, end of period	**(36.3)**	(22.6)