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Press release
For immediate release

THE JEAN COUTU GROUP – FIRST QUARTER OF FISCAL YEAR 2014 RESULTS

Longueuil, Québec, July 9, 2013 - The Jean Coutu Group (PJC) Inc. (the "Corporation" or the "Jean Coutu Group") reported its financial results today for the quarter ended June 1, 2013.

SUMMARY OF RESULTS

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

	Q1 - 2014	Q1 - 2013
	$	$
Revenues	**681.6**	681.5
Operating income before amortization ("OIBA")	**81.8**	79.4
Gains related to the investment in Rite Aid	**54.4**	348.0
Net profit	**108.6**	397.3
Per share	**0.51**	1.81
Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets [1]	**54.2**	51.6
Per share	**0.26**	0.24

(1) See the "Non-IFRS financial measure" section.

HIGHLIGHTS

- Operating income before amortization ("OIBA") increased by 3.0% for the first quarter of fiscal year 2014, despite the deflationary impact on pharmacy sales of a strong generic drugs penetration.
- Repurchase of 3,344,100 Class "A" subordinate voting shares at an average price of $16.71 per share for a total consideration of $55.9 million during the first quarter of fiscal year 2014.
- Gain on disposal of investment in Rite Aid totalling $54.4 million following the sale of 72,500,000 common shares during the first quarter of fiscal year 2014. The Corporation sold an additional 40,500,000 common shares of Rite Aid in June 2013, for a net proceed of $116.0 million (US$ 110.8 million). An additional $55.7 million gain will be recorded in the consolidated statement of income during the second quarter of fiscal year 2014.

Financial results

"We are satisfied with the results recorded in the first quarter. Operating income showed solid growth in spite of the deflationary impact of generic drugs on pharmacy sales" said François J. Coutu, President and Chief Executive Officer. "The pharmacies affiliated to our network still show the best performance of the industry. We will therefore continue to implement effectively our business plan to pursue our growth over the coming quarters and maintain our leadership."

Revenues

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

Revenues amounted to $681.6 million during the quarter ended June 1, 2013, compared with $681.5 million in the quarter ended June 2, 2012. This slight increase is attributable to overall market growth and the expansion of the PJC network of franchised stores, despite the deflationary impact on revenues of the significant volume increase in prescriptions of generic drugs as well as the price reductions of generic drugs.

OIBA

OIBA increased by $2.4 million to $81.8 million for the quarter ended June 1, 2013 compared with $79.4 million for the quarter ended June 2, 2012. This increase is mainly attributable to a strong operational performance of the generic drugs segment as well as of the franchising activities. OIBA as a percentage of revenues ended the first quarter of fiscal year 2014 at 12.0% compared with 11.7% for the same quarter of the previous fiscal year.

Pro Doc

Gross sales of Pro Doc drugs, net of intersegment eliminations, amounted to $45.7 million during the quarter ended June 1, 2013, compared with $37.8 million for the quarter ended June 2, 2012. Pro Doc's contribution to the consolidated OIBA amounted to $17.4 million during the quarter ended June 1, 2013, compared with $15.2 million for the quarter ended June 2, 2012. Pro Doc's contribution to the consolidated OIBA as a percentage of gross sales, net of intersegment eliminations, ended the first quarter of fiscal year 2014 at 38.1% compared with 40.2% for the same period of the previous fiscal year.

Gains related to the investment in Rite Aid

During the quarter ended June 1, 2013, the Corporation sold 72,500,000 of its 178,401,162 common shares of Rite Aid Corporation (" Rite Aid ") after filing of a notice in accordance with the provisions of Rule 144 under the U.S. Securities Act of 1933. Those shares were sold at an average price of US$2.20 per share for a net proceed of $162.1 million (US$158.5 million). Consequently, a gain of $54.4 million (including a cumulated currency translation effect of $4.6 million) was reclassified from the condensed consolidated statement of comprehensive income to the condensed consolidated statement of income.

On June 26, 2013, The Jean Coutu Group filed an amended notice with the U.S. Securities and Exchange Commission indicating its intent to dispose of up to 40,500,000 additional common shares of its 105,901,162 common shares of Rite Aid and the sale of these shares has been completed the same day. These shares were sold at an average price of US $2.75 per share for a net proceed of $116.0 million (US $110.8 million). Consequently, a gain of $55.7 million (including a cumulated currency translation adjustment of $5.3 million) will be reclassified from the condensed consolidated statement of comprehensive income to the condensed consolidated statement of income of the Corporation during the second quarter of the 2014 fiscal year. The sale of these shares brings the Corporation's interest in Rite Aid's outstanding common shares down to 7.2%.

Net profit

Net profit amounted to $108.6 million ($0.51 per share) during the quarter ended June 1, 2013 compared with $397.3 million ($1.81 per share) for the quarter ended June 2, 2012. The decrease in net profit is mainly attributable to the $348.0 million gains related to the investment in Rite Aid recognized during the first quarter of fiscal year 2013 compared with a gain of $54.4 million recognized during the first quarter of fiscal year 2014. Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets amounted to $54.2 million ($0.26 per share) for the first quarter of fiscal year 2014 compared with $51.6 million ($0.24 per share) for the first quarter of previous fiscal year.

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 0.6%, pharmacy sales were stable and front-end sales increased by 1.5% during the quarter ended June 1, 2013, compared with the corresponding period last year. Sales of non-prescription drugs, which represented 8.8% of total retail sales, increased by 3.6% whereas these sales had increased by 0.6% for the corresponding period of fiscal year 2013.

Generic drugs reached 66.0% of drugs prescriptions during the first quarter of fiscal year 2014 compared with 58.8% for the comparable period 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. For the first quarter of fiscal year 2014 the introduction of new generic drugs reduced pharmacy’s retail sales growth by 3.3% and price reductions of generic drugs reduced the growth of those sales by 1.1%.

Network performance [(1)] *(unaudited)*	**Q1 - 2014**	Q1 - 2013
Retail sales *(in millions of dollars)*	**$1,010.2**	$998.3
Retail sales growth *(in percentage)*		
Total stores		
Total	**1.2%**	4.3%
Pharmacy	**0.6%**	5.1%
Front-end	**2.0%**	3.3%
Same store		
Total	**0.6%**	3.4%
Pharmacy	**—%**	4.0%
Front-end	**1.5%**	2.5%
Prescriptions growth *(in percentage)*		
Total stores	**4.9%**	6.5%
Same store	**4.3%**	5.3%

(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 2014, there were 2 store openings in the PJC network of franchised stores, including 1 relocation, and the closing of 1 store. Also, 5 stores were significantly renovated or expanded.

Total selling square footage of the PJC network amounted to 3,046,000 square feet as of June 1, 2013 compared with 2,977,000 square feet as of June 2, 2012.

Financing activities

On May 1, 2013, the Corporation announced its intention to repurchase for cancellation, when it is considered advisable, up to 8,917,000 of its outstanding Class "A" subordinate voting shares.

During the quarter ended June 1, 2013, the Corporation repurchased 3,344,100 Class "A" subordinate voting shares at an average price of $16.71 per share for a total consideration of $55.9 million including related costs. An amount of $37.9 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings. The shares repurchased during the quarter ended June 1, 2013 were cancelled during the same period except for 2,818,600 shares that were cancelled after June 1, 2013.

Dividend

The Board of the Jean Coutu Group declared a quarterly dividend of $0.085 per share. This dividend will be paid on August 9, 2013, 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 26, 2013.

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 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, with lower selling prices than the branded drugs, will however have a deflationary impact on retail sales in the pharmacy section but our integration in generic drugs with Pro Doc will have a positive impact on the consolidated margins.

Conference call

Financial analysts and investors are invited to attend the conference call for the first quarter of fiscal year 2014 results to be held on July 9, 2013, at 8:30 AM (ET). The call-in number is 514-861-2255 or toll free at 1-877-405-9213, access code 7153365 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 9, 2013. The access code is 7900146, 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 407 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, which employs more than 19,000 people. Furthermore, the Jean Coutu Group owns Pro Doc Ltd ("Pro Doc"), a Québec-based subsidiary and manufacturer of generic drugs. The Corporation also holds an investment in Rite Aid Corporation ("Rite Aid") a national chain of drugstores in the United States with more than 4,600 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, 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" as well as in the "Critical Accounting Estimates", the "Risks and uncertainties" and the "Strategies and outlook" sections of the MD&A for the fiscal year ended March 2, 2013. 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.

Condensed consolidated statements of income

For the periods ended June 1, 2013 and June 2, 2012	13 weeks	
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**2013**	2012
	$	$
Sales	**614.0**	613.7
Other revenues	**67.6**	67.8
	681.6	681.5
Operating expenses		
Cost of sales	**534.0**	539.9
General and operating expenses	**65.8**	62.2
Operating income before depreciation and amortization	**81.8**	79.4
Depreciation and amortization	**8.0**	7.8
Operating income	**73.8**	71.6
Financing expenses (revenus)	**(0.6)**	3.0
Profit before the following items	**74.4**	68.6
Gains on sales of investment in Rite Aid	**54.4**	82.8
Unrealized gain related to the investment in Rite Aid	**-**	265.2
Profit before income taxes	**128.8**	416.6
Income taxes	**20.2**	19.3
Net profit	**108.6**	397.3
Basic and diluted profit per share, in dollars	**0.51**	1.81

Condensed consolidated statements of comprehensive income

For the periods ended June 1, 2013 and June 2, 2012	13 weeks	
(unaudited, in millions of Canadian dollars)	**2013**	2012
	$	$
Net profit	**108.6**	397.3
Other comprehensive income, net of taxes of nil		
Items that will not be reclassified subsequently to net profit:		
Defined benefit plans remeasurements	**-**	0.1
Items that will be reclassified subsequently to net profit:		
Available-for-sale financial asset:		
Change in fair value of investment in Rite Aid	**177.8**	(39.0)
Reclassification of a gain on sale of investment in Rite Aid to net profit	**(54.4)**	-
	123.4	(38.9)
Total comprehensive income	**232.0**	358.4

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of changes in equity

For the periods ended June 1, 2013 and June 2, 2012

(unaudited, in millions of Canadian dollars)

	Capital stock	Treasury stock	Contributed surplus	Investment in Rite Aid	Retained earnings	Total equity
	$	$	$	$	$	$
Balance at March 2, 2013	**537.1**	**(2.2)**	**1.7**	**40.8**	**533.4**	**1,110.8**
Net profit	**-**	**-**	**-**	**-**	**108.6**	**108.6**
Other comprehensive income	**-**	**-**	**-**	**123.4**	**-**	**123.4**
Total comprehensive income	**-**	**-**	**-**	**123.4**	**108.6**	**232.0**
Redemption of capital stock	**(18.0)**	**-**	**-**	**-**	**(37.9)**	**(55.9)**
Dividends	**-**	**-**	**-**	**-**	**(18.2)**	**(18.2)**
Share-based compensation cost	**-**	**-**	**0.3**	**-**	**-**	**0.3**
Options exercised	**1.8**	**-**	**(0.1)**	**-**	**-**	**1.7**
Balance at June 1, 2013	**520.9**	**(2.2)**	**1.9**	**164.2**	**585.9**	**1,270.7**
Balance at March 3, 2012	559.7	(1.0)	1.9	-	88.6	649.2
Net profit	-	-	-	-	397.3	397.3
Other comprehensive income	-	-	-	(39.0)	0.1	(38.9)
Total comprehensive income	-	-	-	(39.0)	397.4	358.4
Redemption of capital stock	(2.7)	-	-	-	(5.0)	(7.7)
Dividends	-	-	-	-	(15.3)	(15.3)
Share-based compensation cost	-	-	0.2	-	-	0.2
Options exercised	0.9	-	(0.1)	-	-	0.8
Balance at June 2, 2012	557.9	(1.0)	2.0	(39.0)	465.7	985.6

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of financial position

(unaudited, in millions of Canadian dollars)	As at June 1, 2013 $	As at March 2, 2013 $
Current assets		
Cash and temporary investment	**185.3**	20.0
Trade and other receivables	**211.7**	199.6
Inventories	**186.5**	190.1
Prepaid expenses	**9.2**	12.2
	592.7	421.9
Non-current assets		
Long-term receivables from franchisees	**24.8**	24.9
Investment in Rite Aid	**321.7**	306.0
Investment in associates and joint venture	**8.3**	8.3
Property and equipment	**356.2**	359.5
Investment property	**20.4**	17.4
Intangible assets	**192.3**	195.0
Goodwill	**36.0**	36.0
Deferred tax	**10.1**	11.2
Other long-term assets	**13.1**	12.5
Total assets	**1,575.6**	1,392.7
Current liabilities		
Bank overdraft	**-**	21.6
Trade and other payables	**268.6**	225.2
Income taxes payable	**18.9**	18.5
	287.5	265.3
Non-current liabilities		
Deferred tax	**0.8**	0.8
Other long-term liabilities	**16.6**	15.8
Total liabilities	**304.9**	281.9
Equity	**1,270.7**	1,110.8
Total liabilities and equity	**1,575.6**	1,392.7

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of cash flows

For the periods ended June 1, 2013 and June 2, 2012	13 weeks 2013	2012
(unaudited, in millions of Canadian dollars)	**$**	$
Operating activities		
Net profit	**108.6**	397.3
Adjustments:		
Depreciation and amortization	**8.0**	7.8
Change in fair value of other financial assets	**-**	2.3
Gains on sales of investment in Rite Aid	**(54.4)**	(82.8)
Unrealized gain related to the investment in Rite Aid	**-**	(265.2)
Interest expense (income)	**(0.4)**	0.4
Income taxes	**20.2**	19.3
Others	**0.5**	0.7
	82.5	79.8
Net change in non-cash asset and liability items	**(6.8)**	0.9
Interest received (paid)	**0.1**	(0.5)
Income taxes paid	**(18.7)**	(20.5)
Cash flow related to operating activities	**57.1**	59.7
Investing activities		
Proceeds from disposal of the investment in Rite Aid	**162.1**	82.8
Purchase of property and equipment	**(4.5)**	(6.5)
Proceeds from disposal of property and equipment	**-**	0.4
Purchase of investment property	**(0.2)**	(0.1)
Net change in long-term receivables from franchisees	**(0.3)**	0.1
Purchase of intangible assets	**-**	(6.9)
Cash flow related to investing activities	**157.1**	69.8
Financing activities		
Net change in revolving credit facility	**-**	(112.9)
Issuance of capital stock	**1.7**	0.8
Redemption of capital stock	**(10.8)**	(5.7)
Dividends paid	**(18.2)**	(15.3)
Cash flow related to financing activities	**(27.3)**	(133.1)
Net change in cash and cash equivalents	**186.9**	(3.6)
Cash and cash equivalents, beginning of period	**(1.6)**	(5.0)
Cash and cash equivalents, end of period	**185.3**	(8.6)

Unaudited additional informations

For the periods ended June 1, 2013 and June 2, 2012

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

Non-IFRS financial measure

Net profit (or net profit per share) before gains related to the investment in Rite Aid and change in fair value of other financial assets is a non-IFRS measure. The Corporation 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 the IFRS measures applied by the Corporation, and that the above-mentioned non-IFRS measure provides investors with a performance measure to compare the results between periods with no regards to these items. The Corporation's measure excluding certain items has no standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other corporations. Therefore, it should not be considered in isolation.

Net profit and basic profit per share are reconciled hereunder to net profit (or net profit per share) before gains related to the investment in Rite Aid and change in fair value of other financial assets. All amounts are net of income taxes when applicable.

	13 weeks	
	2013	2012
	$	$
Net profit [1]	**108.6**	397.3
Gains on sales of investment in Rite Aid	**(54.4)**	(82.8)
Unrealized gain related to the investment in Rite Aid	**-**	(265.2)
Change in fair value of third party asset-backed commercial paper and related options of repayment	**-**	2.3
Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets	**54.2**	51.6
Basic profit per share	**0.51**	1.81
Gains on sales of investment in Rite Aid	**(0.25)**	(0.37)
Unrealized gain related to the investment in Rite Aid	**-**	(1.21)
Change in fair value of third party asset-backed commercial paper and related options of repayment	**-**	0.01
Net profit per share before gains related to the investment in Rite Aid and change in fair value of other financial assets	**0.26**	0.24

[1] Readers are referred to Note 3 of the Corporation's unaudited interim Consolidated Financial Statements for the first quarter of fiscal year 2014 for explanations of the changes in accounting policies affecting fiscal year 2013.