The Jean Coutu Group (PJC) Inc.

**Trades under the symbol (TSX): PJC.A**

**Press release**
**For immediate release**

# THE JEAN COUTU GROUP – SECOND QUARTER OF FISCAL YEAR 2013 RESULTS

**Longueuil, Québec, October 10, 2012** - The Jean Coutu Group (PJC) Inc. (the "Corporation" or the "Jean Coutu Group") reported its financial results today for the second quarter ended September 1st, 2012.

## SUMMARY OF RESULTS

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

| | **Second quarter** | | **First half** | |
|---|---|---|---|---|
| | **2013** | 2012 | **2013** | 2012 |
| | **$** | $ | **$** | $ |
| **Revenues** | **658.7** | 635.2 | **1,340.2** | 1,295.8 |
| **Operating income before amortization ("OIBA")** | **76.9** | 70.8 | **156.3** | 147.9 |
| **Gains related to the investment in Rite Aid** | **-** | 22.0 | **348.0** | 22.0 |
| **Net profit** | **51.2** | 66.4 | **448.6** | 116.3 |
| Per share | **0.23** | 0.29 | **2.05** | 0.51 |
| **Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets** (1) | **50.0** | 44.6 | **101.7** | 94.2 |
| Per share | **0.23** | 0.19 | **0.47** | 0.41 |

(1) See non-IFRS financial measure section.

## HIGHLIGHTS

- Increase of OIBA by 8.6% for the quarter ended September 1st, 2012, despite the latest price reduction of generic drugs in April 2012 and the introduction of new generic drugs.
- Repurchase of 2,079,500 Class "A" subordinate voting shares at an average price of $14.91 per share during the second quarter of fiscal year 2013.
- Sale of all third party asset-backed commercial paper for a total consideration of $17.8 million during the second quarter of fiscal year 2013.
- The Corporation extended its $500 million credit facility maturity date by 1 year to November 2017.

### Financial results

« The results of the second quarter and first half of fiscal 2013 demonstrate with eloquence our organization's excellent performance. The implementation of our business strategies allowed us once again to post a significant growth of our operating income despite the generic drugs price reductions » said the President and Chief Executive Officer, Mr. François J. Coutu. « Therefore, we remain determined to continue the expansion of our network and the development of our offer in order to achieve the objectives we have set. »

### 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 $658.7 million during the second quarter ended September 1st, 2012, compared with $635.2 million in the quarter ended August 27, 2011. During the first half of fiscal year 2013, revenues amounted to $1,340.2 million compared with $1,295.8 million in the same period of previous fiscal year, an increase of 3.4%. This increase is attributable to overall market growth and the expansion of the PJC network of franchised stores, despite the deflationary impact on revenue due to the introduction of the generic version of some drugs as well as the price reductions of generic drugs previously decreed by the Québec Government.

### OIBA

OIBA increased by $6.1 million to $76.9 million for the second quarter ended September 1st, 2012 compared with $70.8 million for the quarter ended August 27, 2011. This increase is mostly attributable to a strong operational performance of the generic drugs segment as well as the franchising activities, despite the reduction of generic drugs prices to the lowest selling price granted to other provincial drug insurance programs since April 20, 2012. OIBA as a percentage of revenues ended the second quarter of fiscal year 2013 at 11.7% compared with 11.1% for the same quarter of previous fiscal year.

For the first half of fiscal year 2013, the Corporation's OIBA increased by $8.4 million amounting to $156.3 million compared with $147.9 million for the same period of fiscal year 2012. As a percentage of revenues, OIBA ended the first semester of 2013 at 11.7% compared with 11.4% for the same period of previous fiscal year.

### Pro Doc

Gross sales of Pro Doc drugs, net of intersegments eliminations, amounted to $38.3 million during the quarter ended September 1st, 2012, compared with $33.6 million for the quarter ended August 27, 2011. Pro Doc's contribution to the consolidated OIBA amounted to $15.4 million during the quarter ended September 1st, 2012, compared with $12.3 million for the quarter ended August 27, 2011. Pro Doc's contribution to the consolidated OIBA as a percentage of gross sales, net of intersegment eliminations, ended the second quarter of fiscal year 2013 at 40.2% compared with 36.6% for the same period of the previous fiscal year.

Gross sales of Pro Doc drugs, net of intersegments eliminations, amounted to $76.1 million during the first half of fiscal year 2013, compared with $69.5 million for the same period of fiscal year 2012. Pro Doc's contribution to the consolidated OIBA amounted to $30.6 million during the first half of fiscal year 2013, compared with $25.8 million for the same period of fiscal year 2012. Pro Doc's contribution to the consolidated OIBA as a percentage of gross sales, net of intersegment eliminations, ended the first semester of fiscal year 2013 at 40.2% compared with 37.1% for the same period of the previous fiscal year.

### Gains related to the investment in Rite Aid

During the first semester of fiscal year 2013, the Corporation sold 56,000,000 common shares of Rite Aid. Those shares were sold for a total consideration of $82.8 million, net of related costs. During the first half of fiscal year 2012, the Corporation sold 17,574,100 common shares of Rite Aid for a total consideration of $22 million, net of related costs. These proceeds were recorded as a gain on investment since the carrying value of the investment in Rite Aid was previously written-off. Following the sale of those shares, the Corporation lost its significant influence over Rite Aid. Consequently, this investment, which was previously considered as an investment in an associate and accounted for under the equity method, is now considered as an available-for-sale investment and is accounted for at fair value. This change generated a non-cash gain of $265.2 million (US$267.6 million) in the Corporation’s consolidated statement of income for the 26-week period ended September 1st, 2012 which was the fair value of the 178,401,162 common shares that the Corporation owned at the date of its loss of significant influence.

**Net profit**

Net profit amounted to $51.2 million ($0.23 per share) during the quarter ended September 1st, 2012 compared with $66.4 million ($0.29 per share) for the quarter ended August 27, 2011. The decrease in net profit is mainly attributable to a gain related to the sale of Rite Aid's shares, for a total proceed of $22 million, net of related costs, during the quarter ended August 27, 2011. The net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets amounted to $50.0 million ($0.23 per share) during the quarter ended September 1st, 2012, compared with $44.6 million ($0.19 per share) in the quarter ended August 27, 2011. The $5.4 million increase in net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets is mainly attributable to the solid operational performance of Pro Doc and of franchising activities.

Net profit amounted to $448.6 million ($2.05 per share) during the first half of fiscal year 2013 compared with $116.3 million ($0.51 per share) for the same period of fiscal year 2012. The increase in net profit is attributable to gains of $348 million related to the investment in Rite Aid compared with a gain of $22 million in the same period of fiscal year 2012. Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets amounted to $101.7 million ($0.47 per share) for the first half of fiscal year 2013 compared with $94.2 million ($0.41 per share) for the same period 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.

During the second quarter ended September 1st, 2012, on a same-store basis, the PJC network's retail sales grew by 2.6%, pharmacy sales gained 3.0% and front-end sales increased by 1.6% compared with the same period last year. Sales of non-prescription drugs, which represented 8.4% of total retail sales, increased by 3.9% whereas these sales had increased by 2.9% for the same period of fiscal year 2012.

During the first half of fiscal year 2013, on a same-store basis, the PJC network's retail sales grew by 3.0%, pharmacy sales gained 3.5% and front-end sales increased by 2.1% compared with the same period last year. Sales of non-prescription drugs, which represented 8.5% of total retail sales, increased by 2.2% whereas these sales had increased by 4.8% for the same period of fiscal year 2012.

Generic drugs reached 61.0% of drugs prescriptions during the second quarter of fiscal year 2013 compared with 57.2% 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 2.0% and price reductions of generic drugs decreed by the Québec Government reduced the growth of those sales by 1.0% for the second quarter of fiscal year 2013.

| | Second quarter | | First half | |
|---|---|---|---|---|
| **Network performance** [(1)] *(unaudited)* | **2013** | 2012 | **2013** | 2012 |
| **Retail sales** *(in millions of dollars)* | **$975.5** | $943.1 | **$1,973.8** | $1,900.3 |
| **Retail sales growth** *(in percentage)* | | | | |
| **Total stores** | | | | |
| Total | **3.4%** | 3.2% | **3.9%** | 3.0% |
| Pharmacy | **3.9%** | 3.0% | **4.5%** | 2.6% |
| Front-end | **2.4%** | 3.7% | **2.9%** | 3.6% |
| **Same store** | | | | |
| Total | **2.6%** | 1.2% | **3.0%** | 1.0% |
| Pharmacy | **3.0%** | 0.8% | **3.5%** | 0.4% |
| Front-end | **1.6%** | 2.0% | **2.1%** | 1.8% |
| **Prescriptions growth** *(in percentage)* | | | | |
| Total stores | **6.1%** | 7.8% | **6.3%** | 7.8% |
| Same store | **5.2%** | 5.3% | **5.2%** | 5.5% |

[(1)] Franchised outlets' retail sales are not included in the Corporation's Consolidated Financial Statements.

**PJC network of franchised stores expansion**
During the second quarter of fiscal year 2013, there were 5 store openings in the PJC network of franchised stores, including 3 relocations and 1 store was significantly renovated.

**Financing activities**
On May 3, 2012, the Corporation announced its intention to repurchase for cancellation, when it is considered advisable, up to 9,398,000 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 6, 2013. The shares are repurchased through the facilities of the Toronto Stock Exchange and in accordance with its requirements. Repurchased shares are cancelled.

For the quarter ended September 1st, 2012, the Corporation repurchased 2,079,500 Class "A" subordinate voting shares at an average price of $14.91 per share for a total consideration of $31.0 million including related costs. An amount of $19.9 million representing the excess of the purchase price over the carrying value of the repurchased shares was included in retained earnings.

For the semester ended September 1st, 2012, the Corporation repurchased 2,587,100 Class "A" subordinate voting shares at an average price of $14.96 per share for a total consideration of $38.7 million including related costs. An amount of $24.9 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 this period were cancelled except for 112,700 shares that were cancelled after September 1st, 2012.

On July 24, the Corporation sold all of its third party asset-backed commercial paper ("ABCP") for a total consideration of $17.8 million. The nominal value of those ABCP amounted to $23.4 million.

The Corporation also extended its $500 million credit facility maturity date by 1 year to November 2017. All other terms and conditions of the credit agreement remained unchanged.

**Dividend**
The Board of the Jean Coutu Group declared a quarterly dividend of $0.07 per share. This dividend will be paid on November 9, 2012, to all holders of Class "A" subordinate voting shares and holders of Class "B" shares listed in the Corporation's shareholder ledger as of October 26, 2012.

**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, 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 second quarter of fiscal year 2013 results conference call to be held on October 10, 2012, at 9:00 AM (ET). The call-in number is 514-861-2255 or toll free at 1-877-405-9213, access code 3301554 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 10, 2012. The access code is 9513326, 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 402 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, 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 3, 2012. 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 September 1, 2012 and August 27, 2011 | 13 weeks | | 26 weeks | |
|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2011 |
| *(unaudited, in millions of Canadian dollars, unless otherwise noted)* | **$** | $ | **$** | $ |
| **Sales** | **593.4** | 570.8 | **1,207.1** | 1,164.7 |
| **Other revenues** | **65.3** | 64.4 | **133.1** | 131.1 |
| | **658.7** | 635.2 | **1,340.2** | 1,295.8 |
| **Operating expenses** | | | | |
| Cost of sales | **523.5** | 507.5 | **1,063.4** | 1,033.7 |
| General and operating expenses | **58.3** | 56.9 | **120.5** | 114.2 |
| **Operating income before depreciation and amortization** | **76.9** | 70.8 | **156.3** | 147.9 |
| Depreciation and amortization | **7.8** | 7.5 | **15.6** | 14.9 |
| **Operating income** | **69.1** | 63.3 | **140.7** | 133.0 |
| **Financing expenses (revenus)** | **(1.0)** | 0.9 | **1.9** | 1.4 |
| **Profit before the following items** | **70.1** | 62.4 | **138.8** | 131.6 |
| **Gains on sales of investment in Rite Aid** | **-** | 22.0 | **82.8** | 22.0 |
| **Unrealized gain related to the investment in Rite Aid** | **-** | - | **265.2** | - |
| **Profit before income taxes** | **70.1** | 84.4 | **486.8** | 153.6 |
| **Income taxes** | **18.9** | 18.0 | **38.2** | 37.3 |
| **Net profit** | **51.2** | 66.4 | **448.6** | 116.3 |
| **Basic and diluted profit per share,** in dollars | **0.23** | 0.29 | **2.05** | 0.51 |

## Condensed consolidated statements of comprehensive income

| For the periods ended September 1, 2012 and August 27, 2011 | 13 weeks | | 26 weeks | |
|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2011 |
| *(unaudited, in millions of Canadian dollars)* | **$** | $ | **$** | $ |
| **Net profit** | **51.2** | 66.4 | **448.6** | 116.3 |
| **Other comprehensive income** | | | | |
| Available-for-sale financial asset: | | | | |
| Change in fair value of investment in Rite Aid | **(16.9)** | - | **(55.9)** | - |
| | **(16.9)** | - | **(55.9)** | - |
| **Total comprehensive income** | **34.3** | 66.4 | **392.7** | 116.3 |

**THE JEAN COUTU GROUP (PJC) INC.**

## Condensed consolidated statements of changes in equity

**For the periods ended September 1, 2012 and August 27, 2011**

*(in millions of Canadian dollars)*

| | Capital stock | Treasury stock | Contributed surplus | Change in fair value of the investment in Rite Aid | Retained earnings (deficit) | Total equity |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Balance at March 3, 2012 | **559.7** | **(1.0)** | **1.9** | **-** | **88.6** | **649.2** |
| Net profit | **-** | **-** | **-** | **-** | **448.6** | **448.6** |
| Other comprehensive income | **-** | **-** | **-** | **(55.9)** | **-** | **(55.9)** |
| Total comprehensive income | **-** | **-** | **-** | **(55.9)** | **448.6** | **392.7** |
| Redemption of capital stock | **(13.8)** | **-** | **-** | **-** | **(24.9)** | **(38.7)** |
| Dividends | **-** | **-** | **-** | **-** | **(30.6)** | **(30.6)** |
| Share-based compensation cost | **-** | **-** | **0.4** | **-** | **-** | **0.4** |
| Options exercised | **1.5** | **-** | **(0.2)** | **-** | **-** | **1.3** |
| **Balance at September 1, 2012** | **547.4** | **(1.0)** | **2.1** | **(55.9)** | **481.7** | **974.3** |
| Balance at February 26, 2011 | 614.4 | - | 1.4 | - | (17.5) | 598.3 |
| Net profit | - | - | - | - | 116.3 | 116.3 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | 116.3 | 116.3 |
| Redemption of capital stock | (42.3) | - | - | - | (50.0) | (92.3) |
| Dividends | - | - | - | - | (27.4) | (27.4) |
| Share-based compensation cost | - | - | 0.4 | - | - | 0.4 |
| Balance at August 27, 2011 | 572.1 | - | 1.8 | - | 21.4 | 595.3 |

**THE JEAN COUTU GROUP (PJC) INC.**

## Condensed consolidated statements of financial position

| *(in millions of Canadian dollars)* | **As at September 1, 2012** | As at March 3, 2012 |
|---|---|---|
| | **$** | $ |
| | **(unaudited)** | (audited) |
| *Current assets* | | |
| Trade and other receivables | **188.3** | 206.5 |
| Inventories | **180.2** | 166.2 |
| Income taxes recoverable | **0.3** | 0.2 |
| Prepaid expenses | **7.0** | 12.9 |
| | **375.8** | 385.8 |
| *Non-current assets* | | |
| Long-term receivables from franchisees | **29.8** | 33.4 |
| Other financial assets | **-** | 19.0 |
| Investment in Rite Aid | **209.3** | - |
| Investment in associates | **6.1** | 6.9 |
| Property and equipment | **359.1** | 361.1 |
| Investment property | **20.2** | 20.5 |
| Intangible assets | **197.5** | 186.9 |
| Goodwill | **36.0** | 36.0 |
| Deferred tax | **11.2** | 12.6 |
| Other long-term assets | **9.3** | 10.6 |
| **Total assets** | **1,254.3** | 1,072.8 |
| *Current liabilities* | | |
| Bank overdraft | **13.6** | 5.0 |
| Trade and other payables | **203.8** | 230.6 |
| Income taxes payable | **14.4** | 23.2 |
| Short-term portion of long-term debt | **-** | 149.9 |
| | **231.8** | 408.7 |
| *Non-current liabilities* | | |
| Long-term debt | **33.9** | - |
| Deferred tax | **1.0** | 1.0 |
| Other long-term liabilities | **13.3** | 13.9 |
| **Total liabilities** | **280.0** | 423.6 |
| **Equity** | **974.3** | 649.2 |
| **Total liabilities and equity** | **1,254.3** | 1,072.8 |

**THE JEAN COUTU GROUP (PJC) INC.**

## Condensed consolidated statements of cash flows

**For the periods ended September 1, 2012 and August 27, 2011**

| | 13 weeks | | 26 weeks | |
|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2011 |
| *(unaudited, in millions of Canadian dollars)* | **$** | $ | **$** | $ |
| **Operating activities** | | | | |
| Net profit | **51.2** | 66.4 | **448.6** | 116.3 |
| Adjustments for: | | | | |
| Depreciation and amortization | **7.8** | 7.5 | **15.6** | 14.9 |
| Change in fair value of other financial assets | **(1.2)** | 0.2 | **1.1** | (0.1) |
| Gains on sales of investment in Rite Aid | **-** | (22.0) | **(82.8)** | (22.0) |
| Unrealized gain related to the investment in Rite Aid | **-** | - | **(265.2)** | - |
| Interest on long-term debt | **0.2** | 0.8 | **0.6** | 1.5 |
| Income taxes | **18.9** | 18.0 | **38.2** | 37.3 |
| Others | **1.2** | 1.0 | **1.8** | 0.3 |
| | **78.1** | 71.9 | **157.9** | 148.2 |
| Net change in non-cash asset and liability items | **(18.2)** | (3.8) | **(17.3)** | 7.0 |
| Interest paid | **(0.2)** | (0.7) | **(0.7)** | (1.5) |
| Income taxes paid | **(25.2)** | (17.9) | **(45.7)** | (44.7) |
| Cash flow related to operating activities | **34.5** | 49.5 | **94.2** | 109.0 |
| **Investing activities** | | | | |
| Receipts from other financial assets | **17.9** | 0.1 | **17.9** | 5.9 |
| Proceeds from disposal of the investment in Rite Aid | **-** | 22.0 | **82.8** | 22.0 |
| Purchase of property and equipment | **(3.3)** | (7.2) | **(9.8)** | (12.0) |
| Proceeds from disposal of property and equipment | **0.7** | 2.0 | **1.1** | 2.0 |
| Purchase of investment property | **-** | - | **(0.1)** | - |
| Proceeds from disposal of investment property | **0.6** | 1.7 | **0.6** | 2.3 |
| Net change in long-term receivables from franchisees | **(1.5)** | (4.3) | **(1.4)** | (1.1) |
| Purchase of intangible assets | **(5.9)** | (5.2) | **(12.8)** | (14.1) |
| Others | **-** | (0.5) | **-** | 2.0 |
| Cash flow related to investing activities | **8.5** | 8.6 | **78.3** | 7.0 |
| **Financing activities** | | | | |
| Net change in revolving credit facility | **(1.9)** | 39.9 | **(114.8)** | - |
| Issuance of capital stock | **0.5** | - | **1.3** | - |
| Redemption of capital stock | **(31.3)** | (60.0) | **(37.0)** | (84.0) |
| Dividends paid | **(15.3)** | (13.6) | **(30.6)** | (27.4) |
| Cash flow related to financing activities | **(48.0)** | (33.7) | **(181.1)** | (111.4) |
| **Net change in cash and cash equivalents** | **(5.0)** | 24.4 | **(8.6)** | 4.6 |
| **Bank overdraft, beginning of period** | **(8.6)** | (36.3) | **(5.0)** | (16.5) |
| **Bank overdraft, end of period** | **(13.6)** | (11.9) | **(13.6)** | (11.9) |

**THE JEAN COUTU GROUP (PJC) INC.**

## Unaudited additional information

**For the periods ended September 1, 2012 and August 27, 2011**

*(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 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 | | 26 weeks | |
|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2011 |
| | **$** | $ | **$** | $ |
| **Net profit** | **51.2** | 66.4 | **448.6** | 116.3 |
| Gains on sales of investment in Rite Aid | **-** | (22.0) | **(82.8)** | (22.0) |
| 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 (1) | **(1.2)** | 0.2 | **1.1** | (0.1) |
| **Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets** | **50.0** | 44.6 | **101.7** | 94.2 |
| **Profit per share** | **0.23** | 0.29 | **2.05** | 0.51 |
| Gains on sales of investment in Rite Aid | **-** | (0.10) | **(0.37)** | (0.10) |
| Unrealized gain related to the investment in Rite Aid | **-** | - | **(1.21)** | - |
| **Net profit per share before gains related to the investment in Rite Aid and change in fair value of other financial assets** | **0.23** | 0.19 | **0.47** | 0.41 |

(1) Readers are referred to Note 7 of the Corporation's unaudited interim Consolidated Financial Statements for the second quarter of fiscal year 2013.