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 2014 RESULTS

**Longueuil, Québec, October 9, 2013** - The Jean Coutu Group (PJC) Inc. (the "Corporation" or the "Jean Coutu Group") reported its financial results today for the quarter ended August 31, 2013.

## SUMMARY OF RESULTS

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

| | Second quarter | | First half | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| | **$** | $ | **$** | $ |
| **Revenues** | **653.8** | 658.7 | **1,335.4** | 1,340.2 |
| **Operating income before amortization ("OIBA")** | **77.2** | 76.9 | **159.0** | 156.3 |
| **Gains related to the investment in Rite Aid** | **158.3** | - | **212.7** | 348.0 |
| **Net profit** | **208.2** | 51.2 | **316.8** | 448.5 |
| Per share | **0.99** | 0.23 | **1.49** | 2.05 |
| **Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets** (1) | **49.9** | 50.0 | **104.1** | 101.6 |
| Per share | **0.24** | 0.23 | **0.49** | 0.47 |

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

## HIGHLIGHTS

- Operating income before amortization ("OIBA") increased by 0.4% for the second quarter of fiscal year 2014, despite the deflationary impact on pharmacy sales of a strong generic drugs penetration.
- Gain on disposal of investment in Rite Aid totalling $158.3 million following the sale of the 105,901,162 common shares during the second quarter of fiscal year 2014, for a net proceed of $315.8 million (US$ 302.9 million).
- The Corporation extended its $500.0 million credit facility maturity date by 1 year to November 2018.
- Distribution of up to $502 million to shareholders via the repurchase of up to 22 million class "A" subordinate voting shares and a special dividend of $0.50 per Class “A” and “B” share.

**Financial results**

"During the second quarter, we continued to implement efficiently our business plan, which allowed us to account for an increase of the operating income before amortization in spite of a difficult regulatory environment impacting pharmacy sales," explained François J. Coutu, President and Chief Executive Officer. "Development of dynamic marketing programs and execution of our business strategies will remain our priorities to pursue our growth over the next quarters."

**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 $653.8 million during the quarter ended August 31, 2013, compared with $658.7 million in the quarter ended September 1, 2012. During the first half of fiscal year 2014, revenues amounted to $1,335.4 million compared with $1,340.2 million in the same period of the previous fiscal year, a decrease of 0.4%. This decrease is attributable to the deflationary impact on revenues of the significant volume increase in prescriptions of generic drugs as well as the price reductions of generic drugs, despite the overall market growth and the expansion of the PJC network of franchised stores.

**OIBA**

OIBA increased by $0.3 million to $77.2 million for the quarter ended August 31, 2013 compared with $76.9 million for the quarter ended September 1, 2012. This increase is mainly attributable to a strong operational performance of the generic drugs segment. OIBA as a percentage of revenues ended the second quarter of fiscal year 2014 at 11.8% compared with 11.7% for the same quarter of the previous fiscal year.

For the first half of fiscal year 2014, the Corporation's OIBA increased by $2.7 million amounting to $159.0 million compared with $156.3 million for the same period of fiscal year 2013. As a percentage of revenues, OIBA ended the first semester of 2014 at 11.9% compared with 11.7% for the same period of the previous fiscal year.

**Pro Doc**

Gross sales of Pro Doc drugs, net of intersegment eliminations, amounted to $44.6 million during the quarter ended August 31, 2013, compared with $38.3 million for the quarter ended September 1, 2012. Pro Doc's contribution to the consolidated OIBA amounted to $19.0 million during the quarter ended August 31, 2013, compared with $15.4 million for the quarter ended September 1, 2012. 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 2014 at 42.6% compared with 40.2% for the same period of the previous fiscal year.

Gross sales of Pro Doc drugs, net of intersegments eliminations, amounted to $90.3 million during the first half of fiscal year 2014, compared with $76.1 million for the same period of fiscal year 2013. Pro Doc's contribution to the consolidated OIBA amounted to $36.4 million during the first half of fiscal year 2014, compared with $30.6 million for the same period of fiscal year 2013. Pro Doc's contribution to the consolidated OIBA as a percentage of its gross sales, net of intersegment eliminations, ended the first semester of fiscal year 2014 at 40.3% compared with 40.2% for the same period of the previous fiscal year.

**Gains related to the investment in Rite Aid**

During the second quarter of fiscal year 2014, in accordance with the provisions of Rule 144 under the U.S. Securities Act of 1933, the Corporation disposed of all of its remaining shares of Rite Aid. These 105,901,162 common shares were sold at an average price of US$2.88 per share for a net proceed of $315.8 million (US$302.9 million). As a result, a $158.3 million gain (including a favorable cumulative currency translation adjustment of $12.6 million) was reclassified from the condensed consolidated statement of comprehensive income to the condensed consolidated statement of income of the Corporation during the second quarter of fiscal year 2014. As at August 31, 2013, the Corporation no longer owned any share in Rite Aid.

During the first half of fiscal year 2014, the Corporation disposed of a total of 178,401,162 common shares of Rite Aid. These shares were sold for a net consideration of $477.9 million. A gain of $212.7 million was reclassified from the condensed consolidated statement of comprehensive income to the condensed consolidated statement of income of the Corporation.

### Net profit

Net profit amounted to $208.2 million ($0.99 per share) during the quarter ended August 31, 2013 compared with $51.2 million ($0.23 per share) for the quarter ended September 1, 2012. The increase in net profit is mainly attributable to the gains of $158.3 million related to the investment in Rite Aid recognized during the second 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 $49.9 million ($0.24 per share) for the second quarter of fiscal year 2014 compared with $50.0 million ($0.23 per share) for the second quarter of the previous fiscal year.

Net profit during the first half of fiscal year 2014 amounted to $316.8 million ($1.49 per share) compared with $448.5 million ($2.05 per share) for the same period of fiscal year 2013. The decrease in net profit is attributable to gains of $212.7 million related to the investment in Rite Aid recognized during the semester ended August 31, 2013 compared with gains of $348.0 million for the same period of fiscal year 2013. Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets amounted to $104.1 million ($0.49 per share) for the first half of fiscal year 2014 compared with $101.6 million ($0.47 per share) for the same period of the 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 quarter ended August 31, 2013, on a same-store basis, the PJC network's retail sales decreased by 0.1%, pharmacy sales decreased by 0.5% and front-end sales increased by 0.5%, compared with the corresponding period last year. Sales of non-prescription drugs, which represented 8.5% of total retail sales, increased by 1.4% whereas these sales had increased by 3.9% for the corresponding period of fiscal year 2013.

During the first half of fiscal year 2014, on a same-store basis, the PJC network's retail sales grew by 0.3%, pharmacy sales decreased by 0.3% and front-end sales increased by 1.0% compared with the same period last year. Sales of non-prescription drugs, which represented 8.7% of total retail sales, increased by 2.5% whereas these sales had increased by 2.2% for the same period of fiscal year 2013.

Generic drugs reached 67.2% of drugs prescriptions during the second quarter of fiscal year 2014 compared with 61.0% 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 second quarter of fiscal year 2014 the introduction of new generic drugs reduced pharmacy’s retail sales growth by 2.2% and price reductions of generic drugs reduced the growth of those sales by 1.1%.

| | **Second quarter** | | **First half** | |
|---|---|---|---|---|
| **Network performance** [1] *(unaudited)* | **2014** | 2013 | **2014** | 2013 |
| **Retail sales** *(in millions of dollars)* | **$979.8** | $975.5 | **$1,990.0** | $1,973.8 |
| **Retail sales growth** *(in percentage)* | | | | |
| **Total stores** | | | | |
| Total | **0.4%** | 3.4% | **0.8%** | 3.9% |
| Pharmacy | **0.1%** | 3.9% | **0.3%** | 4.5% |
| Front-end | **1.1%** | 2.4% | **1.6%** | 2.9% |
| **Same store** | | | | |
| Total | **(0.1)%** | 2.6% | **0.3%** | 3.0% |
| Pharmacy | **(0.5)%** | 3.0% | **(0.3)%** | 3.5% |
| Front-end | **0.5%** | 1.6% | **1.0%** | 2.1% |
| **Prescriptions growth** *(in percentage)* | | | | |
| Total stores | **4.9%** | 6.1% | **4.9%** | 6.3% |
| Same store | **4.4%** | 5.2% | **4.4%** | 5.2% |

[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 2014, there were 7 store openings in the PJC network of franchised stores, including 2 relocations and 1 store was closed. Also, 2 stores were significantly renovated or expanded.

As of August 31, 2013, total selling square footage of the PJC network amounted to 3,066,000 square feet compared with 3,002,000 square feet as of September 1, 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 August 31, 2013, the Corporation did not repurchase any Class "A" subordinate voting shares. For the first half of fiscal year 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 for the 26-week period ended August 31, 2013. The shares repurchased during the first half of fiscal year 2013 were canceled during this period.

Furthermore, the Corporation extended its $500.0 million credit facility maturity date by 1 year to November 2018. All other terms and conditions of the credit agreement remained unchanged.

**Dividend**
The Board of the Jean Coutu Group declared a quarterly dividend of $0.085 per share. This dividend will be paid on November 8, 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 October 25, 2013.

**Issuer bid and special dividend**
In a press release issued yesterday, the Corporation announced an offer to purchase for cancellation up to 22 million of its outstanding Class "A" subordinate voting shares at a price of $18.50 per share and a special one-time dividend of $0.50 per Class "A" subordinate voting share and Class “B” share.

**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 the increase in volume of Pro Doc's generic drugs will have a positive impact on the consolidated margins.

**Conference call**
Financial analysts and investors are invited to attend the conference call to be held on October 9, 2013, at 9:00 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 November 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 411 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.*

*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 that were made by the Corporation 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 press release, 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", “should”, “would”, "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. 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 nonrecurring 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 the Corporation’s future operating results, financial position and cash flows and could cause its actual results to differ materially from those expressed in these forward-looking statements are 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 the Corporation operates, the intensity of competitive activity in the industry in which the Corporation operates, the supplier and brand reputations, the Corporation's 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 the Corporation's control. These and other factors could cause the Corporation's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied in those forward-looking statements.*

*Forward-looking statements are provided for the purpose of assisting in understanding the Corporation’s financial position and results of operation and to present information about management’s current expectations and plans relating to the future. Investors and others are thus cautioned that such statements may not be appropriate for other purposes and that they should not place undue reliance on them. 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.Further details and descriptions of these and other factors are disclosed in the Corporation’s Annual Information Form under "Risk Factors" and also in the "Critical accounting estimates", "Risks and uncertainties" and "Strategies and outlook" sections of the Corporation's annual management's discussion and analysis. The forward-looking statements in this press release reflect the Corporation’s expectations as of the date hereof and are subject to change after such date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, 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 August 31, 2013 and September 1, 2012 | 13 weeks | | 26 weeks | |
|---|---|---|---|---|
| | **2013** | 2012 | **2013** | 2012 |
| *(unaudited, in millions of Canadian dollars, unless otherwise noted)* | **$** | $ | **$** | $ |
| **Sales** | **587.2** | 593.4 | **1,201.2** | 1,207.1 |
| **Other revenues** | **66.6** | 65.3 | **134.2** | 133.1 |
| | **653.8** | 658.7 | **1,335.4** | 1,340.2 |
| **Operating expenses** | | | | |
| Cost of sales | **511.8** | 523.5 | **1,045.8** | 1,063.4 |
| General and operating expenses | **64.8** | 58.3 | **130.6** | 120.5 |
| **Operating income before depreciation and amortization** | **77.2** | 76.9 | **159.0** | 156.3 |
| Depreciation and amortization | **8.0** | 7.8 | **16.0** | 15.6 |
| **Operating income** | **69.2** | 69.1 | **143.0** | 140.7 |
| **Financing expenses (revenus)** | **0.3** | (1.0) | **(0.3)** | 2.0 |
| **Profit before the following items** | **68.9** | 70.1 | **143.3** | 138.7 |
| **Gains on sales of investment in Rite Aid** | **158.3** | - | **212.7** | 82.8 |
| **Unrealized gain related to the investment in Rite Aid** | **-** | - | **-** | 265.2 |
| **Profit before income taxes** | **227.2** | 70.1 | **356.0** | 486.7 |
| **Income taxes** | **19.0** | 18.9 | **39.2** | 38.2 |
| **Net profit** | **208.2** | 51.2 | **316.8** | 448.5 |
| **Basic profit per share,** in dollars | **0.99** | 0.23 | **1.49** | 2.05 |
| **Diluted profit per share,** in dollars | **0.98** | 0.23 | **1.49** | 2.05 |

## Condensed consolidated statements of comprehensive income

| For the periods ended August 31, 2013 and September 1, 2012 | 13 weeks | | 26 weeks | |
|---|---|---|---|---|
| | **2013** | 2012 | **2013** | 2012 |
| *(unaudited, in millions of Canadian dollars)* | **$** | $ | **$** | $ |
| **Net profit** | **208.2** | 51.2 | **316.8** | 448.5 |
| **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 | **(5.9)** | (16.9) | **171.9** | (55.9) |
| Reclassification of gains on sales to net profit | **(158.3)** | - | **(212.7)** | - |
| | **(164.2)** | (16.9) | **(40.8)** | (55.8) |
| **Total comprehensive income** | **44.0** | 34.3 | **276.0** | 392.7 |

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

## Condensed consolidated statements of changes in equity

**For the periods ended August 31, 2013 and September 1, 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 | **-** | **-** | **-** | **-** | **316.8** | **316.8** |
| Other comprehensive income | **-** | **-** | **-** | **(40.8)** | **-** | **(40.8)** |
| Total comprehensive income | **-** | **-** | **-** | **(40.8)** | **316.8** | **276.0** |
| Redemption of capital stock | **(18.0)** | **-** | **-** | **-** | **(37.9)** | **(55.9)** |
| Dividends | **-** | **-** | **-** | **-** | **(36.2)** | **(36.2)** |
| Share-based compensation cost | **-** | **-** | **0.5** | **-** | **-** | **0.5** |
| Options exercised | **7.3** | **-** | **(0.5)** | **-** | **-** | **6.8** |
| **Balance at August 31, 2013** | **526.4** | **(2.2)** | **1.7** | **-** | **776.1** | **1,302.0** |
| Balance at March 3, 2012 | 559.7 | (1.0) | 1.9 | - | 88.6 | 649.2 |
| Net profit | - | - | - | - | 448.5 | 448.5 |
| Other comprehensive income | - | - | - | (55.9) | 0.1 | (55.8) |
| 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 |

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

## Condensed consolidated statements of financial position

| *(unaudited, in millions of Canadian dollars)* | **As at August 31, 2013** **$** | As at March 2, 2013 $ |
|---|---|---|
| *Current assets* | | |
| Cash and temporary investment | **463.4** | 20.0 |
| Trade and other receivables | **199.4** | 199.6 |
| Inventories | **200.4** | 190.1 |
| Prepaid expenses | **6.8** | 12.2 |
| | **870.0** | 421.9 |
| *Non-current assets* | | |
| Long-term receivables from franchisees | **25.1** | 24.9 |
| Investment in Rite Aid | **-** | 306.0 |
| Investment in associates and joint venture | **9.7** | 8.3 |
| Property and equipment | **349.7** | 359.5 |
| Investment property | **24.6** | 17.4 |
| Intangible assets | **200.2** | 195.0 |
| Goodwill | **36.0** | 36.0 |
| Deferred tax | **11.0** | 11.2 |
| Other long-term assets | **13.3** | 12.5 |
| **Total assets** | **1,539.6** | 1,392.7 |
| *Current liabilities* | | |
| Bank overdraft | **-** | 21.6 |
| Trade and other payables | **201.4** | 225.2 |
| Income taxes payable | **19.0** | 18.5 |
| | **220.4** | 265.3 |
| *Non-current liabilities* | | |
| Deferred tax | **0.8** | 0.8 |
| Other long-term liabilities | **16.4** | 15.8 |
| **Total liabilities** | **237.6** | 281.9 |
| **Equity** | **1,302.0** | 1,110.8 |
| **Total liabilities and equity** | **1,539.6** | 1,392.7 |

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

## Condensed consolidated statements of cash flows

| For the periods ended August 31, 2013 and September 1, 2012 | 13 weeks | | 26 weeks | |
|---|---|---|---|---|
| | **2013** | 2012 | **2013** | 2012 |
| *(unaudited, in millions of Canadian dollars)* | **$** | $ | **$** | $ |
| **Operating activities** | | | | |
| Net profit | **208.2** | 51.2 | **316.8** | 448.5 |
| Adjustments: | | | | |
| Depreciation and amortization | **8.0** | 7.8 | **16.0** | 15.6 |
| Change in fair value of other financial assets | **-** | (1.2) | **-** | 1.1 |
| Gains on sales of investment in Rite Aid | **(158.3)** | - | **(212.7)** | (82.8) |
| Unrealized gain related to the investment in Rite Aid | **-** | - | **-** | (265.2) |
| Interest expense (income) | **(1.2)** | 0.2 | **(1.6)** | 0.6 |
| Income taxes | **19.0** | 18.9 | **39.2** | 38.2 |
| Others | **0.2** | 1.2 | **0.7** | 1.9 |
| | **75.9** | 78.1 | **158.4** | 157.9 |
| Net change in non-cash asset and liability items | **(20.1)** | (18.2) | **(26.9)** | (17.3) |
| Interest received (paid) | **0.9** | (0.2) | **1.0** | (0.7) |
| Income taxes paid | **(19.8)** | (25.2) | **(38.5)** | (45.7) |
| Cash flow related to operating activities | **36.9** | 34.5 | **94.0** | 94.2 |
| **Investing activities** | | | | |
| Receipts from other financial assets | **-** | 17.9 | **-** | 17.9 |
| Proceeds from disposal of the investment in Rite Aid | **315.8** | - | **477.9** | 82.8 |
| Investment in an associate | **(1.3)** | - | **(1.3)** | - |
| Purchase of property and equipment | **(4.7)** | (3.3) | **(9.2)** | (9.8) |
| Proceeds from disposal of property and equipment | **1.6** | 0.7 | **1.6** | 1.1 |
| Purchase of investment property | **-** | - | **(0.2)** | (0.1) |
| Proceeds from disposal of investment property | **0.6** | 0.6 | **0.6** | 0.6 |
| Net change in long-term receivables from franchisees | **(0.3)** | (1.5) | **(0.6)** | (1.4) |
| Purchase of intangible assets | **(10.6)** | (5.9) | **(10.6)** | (12.8) |
| Cash flow related to investing activities | **301.1** | 8.5 | **458.2** | 78.3 |
| **Financing activities** | | | | |
| Net change in revolving credit facility | **-** | (1.9) | **-** | (114.8) |
| Issuance of capital stock | **5.1** | 0.5 | **6.8** | 1.3 |
| Redemption of capital stock | **(47.0)** | (31.3) | **(57.8)** | (37.0) |
| Dividends paid | **(18.0)** | (15.3) | **(36.2)** | (30.6) |
| Cash flow related to financing activities | **(59.9)** | (48.0) | **(87.2)** | (181.1) |
| **Net change in cash and cash equivalents** | **278.1** | (5.0) | **465.0** | (8.6) |
| **Cash and cash equivalents, beginning of period** | **185.3** | (8.6) | **(1.6)** | (5.0) |
| **Cash and cash equivalents, end of period** | **463.4** | (13.6) | **463.4** | (13.6) |

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

## Unaudited additional informations

**For the periods ended August 31, 2013 and September 1, 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** | | **26 weeks** | |
|---|---|---|---|---|
| | **2013** | 2012 | **2013** | 2012 |
| | **$** | $ | **$** | $ |
| **Net profit** [1] | **208.2** | 51.2 | **316.8** | 448.5 |
| Gains on sales of investment in Rite Aid | **(158.3)** | - | **(212.7)** | (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 | **-** | (1.2) | **-** | 1.1 |
| **Net profit before gains related to the investment in Rite Aid and change in fair value of other financial assets** | **49.9** | 50.0 | **104.1** | 101.6 |
| **Basic profit per share** | **0.99** | 0.23 | **1.49** | 2.05 |
| Gains on sales of investment in Rite Aid | **(0.75)** | - | **(1.00)** | (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 | **-** | - | **-** | - |
| **Net profit per share before gains related to the investment in Rite Aid and change in fair value of other financial assets** | **0.24** | 0.23 | **0.49** | 0.47 |

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