The Jean Coutu Group (PJC) Inc.

Trades under the symbol (TSX): PJC.A

Press release
For immediate release

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

- **Net profit per share amounted to $0.23 compared with $0.21 during the third quarter of fiscal year 2011.**
- **Revenue amounted to $700.1 million compared to $681.1 million during the third quarter of fiscal year 2011, a 2.8 % increase.**

Longueuil, Québec, January 6, 2012 - The Jean Coutu Group (PJC) Inc. (the "Corporation" or the "Jean Coutu Group") reported its financial results today for the third quarter of fiscal year 2012 ended November 26, 2011.

SUMMARY OF RESULTS

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

	Q3-2012	Q3-2011	**39 weeks 2012**	39 weeks 2011
	$	$	**$**	$
Revenue	**700.1**	681.1	**1,995.9**	**1,953.0**
Operating income before amortization ("OIBA")	**79.9**	76.3	**227.8**	**215.9**
Net profit	**51.7**	48.8	**168.0**	**136.1**
Per share	**0.23**	0.21	**0.74**	**0.58**

HIGHLIGHTS

- Increase of operating income before depreciation and amortization ("OIBA") of 4.7% for the third quarter of fiscal year 2012, despite the generic drugs price reduction to 30% of the brand name drugs price on April 21, as decreed by the Québec government.
- Ratification of an 8-year labor agreement with the 400 employees of the Longueuil distribution center.
- Repurchase of 1,546,100 Class A subordinate voting shares at an average price of $12.58 per share, for a total consideration of $19.4 million during the third quarter of fiscal year 2012.

Financial results

"The excellent performance of our organization and of our network translated into solid third-quarter fiscal 2012 results despite the deflationary impact of the introduction of the generic version of large volume drugs as well as the price reductions of generic drugs" said François J. Coutu, President and Chief Executive Officer. "We successfully continued to implement our business plan, allowing us to post a significant growth of our operating results. We are committed to undertake all actions required to maintain our growth and confirm our position as a leader in the pharmacy industry."

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 21 of the Corporation's unaudited condensed consolidated interim financial statements for the third 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 made mostly through our distribution centres account for the greater part of our sales.

Revenue amounted to $700.1 million during the third quarter ended November 26, 2011, compared with $681.1 million during the third quarter ended November 27, 2010, an increase of 2.8%. For the 39-week period of fiscal year 2012, revenue amounted to $1,995.9 million compared to $1,953.0 million during 39-week period of previous fiscal year, 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 due to the introduction of the generic version of large volume drugs as well as the price reductions of generic drugs decreed by the Québec government.

OIBA

OIBA increased by $3.6 million to $79.9 million for the thrid quarter of fiscal year 2012 compared with $76.3 million for the third quarter of fiscal year 2011. This increase is mostly attributable to a strong operational performance of the franchising activities. OIBA as a percentage of revenue ended the third quarter of fiscal year 2012 at 11.4% compared with 11.2% for the third quarter of the previous fiscal year.

For the year to date period of fiscal year 2012, OIBA increased by $11.9 million and amounted to $227.8 million compared with $215.9 million during the year-to-date period of fiscal year 2011. OIBA as a percentage of revenue ended the 39-week period of fiscal year 2012 at 11.4% compared with 11.1% for the 39-week period of previous fiscal year.

Pro Doc

Gross sales of Pro Doc drugs, net of intersegments eliminations, amounted to $37.1 million in the third quarter ended November 26, 2011, compared with $42.0 million for the same period of fiscal year 2011. Pro Doc's contribution to consolidated OIBA, amounted to $15.4 million in the third quarter ended November 26, 2011, compared with $14.8 million for the same period of fiscal year 2011. Pro Doc contribution to consolidated OIBA as a percentage of gross sales, net of intersegment eliminations, ended the third quarter of fiscal year 2012 at 41.5% compared to 35.2% for the third quarter of the previous fiscal year.

For the 39-week period of fiscal year 2012, gross sales of Pro Doc drugs, net of intersegments eliminations, amounted to $106.7 million compared with $106.9 million for the same period of fiscal year 2011. Pro Doc's contribution to consolidated OIBA, amounted to $41.2 million in the 39-week period of fiscal year 2012, compared with $38.9 million for the same period of fiscal year 2011.

Net profit

Net profit amounted to $51.7 million ($0.23 per share) during the third quarter ended November 26, 2011 compared with $48.8 million ($0.21 per share) during the third quarter ended November 27, 2010.

Net profit for the 39-week period of fiscal 2012 amounted to $168.0 million ($0.74 per share) compared with $136.1 million ($0.58 per share) during the 39-week period of fiscal 2011. The increase is mainly attributable to the gain on disposal of 17,574,100 shares in Rite-Aid for a total consideration of $22.0 million, net of related costs ($0.10 per share).

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 2.6%, pharmacy sales gained 2.6% and front-end sales increased by 2.3% in the third quarter of fiscal year 2012 compared with the same period last year. During the third quarter ended November 26, 2011, sales of non-prescription drugs, which represented 9% of total retail sales, increased by 1.6%, whereas these sales had decreased by 2.0% during the third quarter of the previous fiscal year.

Generic drugs reached 57.2% of drugs prescriptions during the third quarter of fiscal year 2012 compared with 55.0% 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 0.7% and price reductions of generic drugs decreed by the Québec government reduced the growth of those sales by 3.5% during the third quarter of fiscal year 2012.

Network performance [(1)]	**Q3-2012**	Q3-2011	**39 weeks 2012**	39 weeks 2011
Retail sales *(unaudited, in millions of dollars)*	**$984.3**	$945.5	**$2,884.6**	$2,790.1
Retail sales growth *(in %)*				
Total stores				
Total	**4.1%**	2.4%	**3.4%**	3.9%
Pharmacy	**4.2%**	2.7%	**3.2%**	4.1%
Front-end	**3.5%**	1.3%	**3.5%**	2.8%
Same store				
Total	**2.6%**	0.1%	**1.5%**	1.6%
Pharmacy	**2.6%**	0.7%	**1.2%**	2.2%
Front-end	**2.3%**	-1.7%	**2.0%**	-0.2%
Prescriptions growth *(in %)*				
Total stores	**7.0%**	6.6%	**7.6%**	6.7%
Same store	**5.4%**	4.7%	**5.4%**	4.8%

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

PJC network of franchised stores expansion

During the third quarter of fiscal year 2012, there were 2 store openings in the PJC network of franchised stores, including 1 relocation. In addition, 8 stores were significantly renovated or expanded.

Long term debt

During the third quarter of fiscal year 2012, the Corporation entered into a new unsecured revolving credit facility in the amount of $500.0 million which will mature on November 10, 2016. This new credit facility will be used to reimburse the outstanding borrowings under the credit facility maturing on May 8, 2012.

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 November 26, 2011, the Corporation repurchased 1,546,100 Class A subordinate voting shares at an average price of $12.58 per share for a total consideration of $19.4 million including related costs. An amount of $11.2 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 November 26, 2011.

For the 39-week period ended November 26, 2011, the Corporation repurchased 9,465,550 class A subordinate voting shares at an average price of $11.80 per share for a total consideration of $111.7 million. An amount of $61.2 million representing the excess of the purchase price over the carrying value of the repurchased shares was recorded in the retained earnings for the 39-week period ended November 26, 2011. The shares repurchased during the 39-week period ended November 26, 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 February 3, 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 January 20, 2012.

Labor relations

The employees of the Longueuil distribution center approved the proposed agreement between the union and the Jean Coutu Group in a proportion of 87% during a general meeting. The new labor agreement effective January 1, 2012 will have an 8-year term and will bring long term stability which will allow the Corporation to remain competitive in its markets.

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 Pro Doc's contribution 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 2012 results conference call to be held on January 6, 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 February 6, 2012. The access code is 6374005, 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 395 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.

Condensed consolidated statements of income

For the periods ended November 26, 2011 and November 27, 2010	13 weeks		39 weeks	
	2011	2010	**2011**	2010
(unaudited, in millions of Canadian dollars, unless otherwise noted)	**$**	$	**$**	$
Sales	**633.6**	614.7	**1,798.3**	1,757.3
Other revenues	**66.5**	66.4	**197.6**	195.7
	700.1	681.1	**1,995.9**	1,953.0
Operating expenses				
Cost of sales	**560.3**	545.4	**1,594.0**	1,566.4
General and operating expenses	**59.9**	59.4	**174.1**	170.7
Operating income before depreciation and amortization	**79.9**	76.3	**227.8**	215.9
Depreciation and amortization	**7.7**	7.3	**22.6**	20.9
Operating income	**72.2**	69.0	**205.2**	195.0
Financing expenses (income), net	**0.2**	(0.2)	**1.6**	1.1
Profit before the following items	**72.0**	69.2	**203.6**	193.9
Gains on sales of investment in associate Rite Aid	**-**	-	**22.0**	-
Profit before income taxes	**72.0**	69.2	**225.6**	193.9
Income taxes	**20.3**	20.4	**57.6**	57.8
Net profit	**51.7**	48.8	**168.0**	136.1
Basic and diluted profit per share, in dollars	**0.23**	0.21	**0.74**	0.58

Condensed consolidated statements of comprehensive income

For the periods ended November 26, 2011 and November 27, 2010	13 weeks		39 weeks	
	2011	2010	**2011**	2010
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Net profit	**51.7**	48.8	**168.0**	136.1
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**51.7**	48.8	**168.0**	136.1

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of changes in equity

For the periods ended November 26, 2011 and November 27, 2010

	13 weeks		39 weeks	
	2011	2010	**2011**	2010
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Capital stock, beginning of period	**572.1**	636.9	**614.4**	650.8
Redemption of capital stock	**(8.2)**	(14.0)	**(50.5)**	(28.0)
Options exercised	**0.6**	-	**0.6**	0.1
Capital stock, end of period	**564.5**	622.9	**564.5**	622.9
Contributed surplus, beginning of period	**1.8**	1.0	**1.4**	0.6
Share-based compensation cost	**0.1**	0.1	**0.5**	0.5
Options exercised	**(0.1)**	-	**(0.1)**	-
Contributed surplus, end of period	**1.8**	1.1	**1.8**	1.1
Reserves				
Employee benefits reserve, beginning and end of period	**(0.9)**	(0.9)	**(0.9)**	(0.9)
Retained earnings (deficit), beginning of period	**22.3**	(68.9)	**(16.6)**	(121.4)
Net profit	**51.7**	48.8	**168.0**	136.1
Dividends	**(13.3)**	(12.9)	**(40.7)**	(38.7)
Excess of purchase price over carrying value of Class A subordinate voting shares repurchased	**(11.2)**	(10.3)	**(61.2)**	(19.3)
Retained earnings (deficit), end of period	**49.5**	(43.3)	**49.5**	(43.3)
Equity, end of period	**614.9**	579.8	**614.9**	579.8

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of financial position

(unaudited, in millions of Canadian dollars)	As at November 26, 2011 $	As at February 26, 2011 $
Current assets		
Trade and other receivables	**221.7**	193.5
Inventories	**157.5**	173.2
Income taxes recoverable	**0.7**	-
Prepaid expenses	**5.5**	6.9
	385.4	373.6
Non-current assets		
Long-term receivables from franchisees	**35.7**	34.7
Other financial assets	**17.7**	23.0
Investment in associates	**6.5**	7.6
Property and equipment	**360.2**	362.4
Investment property	**20.4**	20.5
Intangible assets	**181.4**	174.4
Goodwill	**36.0**	36.0
Deferred tax	**14.2**	17.4
Other long-term assets	**12.1**	10.1
Total assets	**1,069.6**	1,059.7
Current liabilities		
Bank overdraft	**19.9**	16.5
Trade and other payables	**228.0**	208.7
Income taxes payable	**27.2**	35.6
Short term portion of long-term debt	**164.9**	-
	440.0	260.8
Non-current liabilities		
Long-term debt	**-**	184.8
Deferred tax	**1.4**	1.4
Other long-term liabilities	**13.3**	14.4
Total liabilities	**454.7**	461.4
Equity		
Capital stock	**564.5**	614.4
Contributed surplus	**1.8**	1.4
Reserves	**(0.9)**	(0.9)
Retained earnings (deficit)	**49.5**	(16.6)
Total equity	**614.9**	598.3
Total liabilities and equity	**1,069.6**	1,059.7

THE JEAN COUTU GROUP (PJC) INC.

Condensed consolidated statements of cash flows

For the periods ended November 26, 2011 and November 27, 2010	13 weeks		39 weeks	
	2011	2010	**2011**	2010
(unaudited, in millions of Canadian dollars)	**$**	$	**$**	$
Operating activities				
Net profit	**51.7**	48.8	**168.0**	136.1
Adjustments for:				
Depreciation and amortization	**7.7**	7.3	**22.6**	20.9
Change in fair value of other financial assets	**(0.5)**	(0.8)	**(0.6)**	(0.3)
Gains on sales of investment in associate Rite Aid	**-**	-	**(22.0)**	-
Interest on long-term debt and other interest	**0.7**	0.7	**2.2**	1.9
Income taxes	**20.3**	20.4	**57.6**	57.8
Others	**1.0**	0.9	**1.3**	2.7
	80.9	77.3	**229.1**	219.1
Net changes in non-cash asset and liability items	**0.9**	(15.9)	**7.9**	(15.3)
Interest paid	**(0.7)**	(0.7)	**(2.2)**	(1.8)
Income taxes paid	**(18.8)**	(16.1)	**(63.5)**	(62.1)
Cash flow related to operating activities	**62.3**	44.6	**171.3**	139.9
Investing activities				
Proceeds from disposal of investment in associate Rite Aid	**-**	-	**22.0**	-
Purchase of property and equipment	**(4.8)**	(11.6)	**(16.8)**	(34.6)
Proceeds from disposal of property and equipment	**0.2**	0.1	**2.2**	1.9
Purchase of investment property	**(0.3)**	(0.1)	**(0.3)**	(0.4)
Proceeds from disposal of investment property	**-**	0.4	**2.3**	1.1
Net change in long-term receivables from franchisees	**(2.0)**	(1.2)	**(3.1)**	(5.8)
Receipts from other financial assets	**-**	0.1	**5.9**	0.5
Purchase of intangible assets	**(0.6)**	(29.8)	**(14.7)**	(44.3)
Others	**-**	-	**2.0**	-
Cash flow related to investing activities	**(7.5)**	(42.1)	**(0.5)**	(81.6)
Financing activities				
Net change in revolving credit facility	**(19.9)**	24.9	**(19.9)**	19.8
Financing fees	**(1.3)**	-	**(1.3)**	-
Issuance of capital stock	**0.5**	-	**0.5**	0.1
Redemption of capital stock	**(28.8)**	(22.9)	**(112.8)**	(45.9)
Dividends paid	**(13.3)**	(12.9)	**(40.7)**	(38.7)
Cash flow related to financing activities	**(62.8)**	(10.9)	**(174.2)**	(64.7)
Net change in cash and cash equivalents	**(8.0)**	(8.4)	**(3.4)**	(6.4)
Bank overdraft, beginning of period	**(11.9)**	(11.3)	**(16.5)**	(13.3)
Bank overdraft, end of period	**(19.9)**	(19.7)	**(19.9)**	(19.7)