RITE AID CORP
Form 424B5
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PROSPECTUS SUPPLEMENT
(To Prospectus dated February 9, 2007)

Filed Pursuant to Rule 424(B)(5)
Registration No: 333-140537
The filing fee of $107,000.00 related to the securities offered from the registration statement (333-140537) by means of this prospectus supplement is calculated in accordance with Rule 457(r). $90,899.71 of the filing fee has been applied against $90,899.71 in fees relating to unsold securities registered in a previous registration statement that are being carried over pursuant to Rule 457(p) and the remaining $16,100.29 has been transmitted herewith.

$1,000,000,000

Rite Aid Corporation

$500,000,000 7.5% Senior Secured Notes due 2017
$500,000,000 8.625% Senior Notes due 2015

The 7.5% Senior Secured Notes (the "secured notes") and the 8.625% Senior Notes (the "unsecured notes" and together with the secured notes, the "notes") will bear interest at the rate of 7.5% and 8.625% per year, respectively. Interest on the notes is payable on March 1 and September 1 of each year, beginning on September 1, 2007. The secured notes will mature on March 1, 2017; and the unsecured notes will mature on March 1, 2015. Prior to March 1, 2012 we may redeem some or all of the secured notes at any time at specified "make-whole" premiums. Prior to March 1, 2011, we may redeem some or all of the unsecured notes at specified "make-whole" premiums. Beginning on March 1, 2012, we may redeem some or all of the secured notes at specified redemption prices. Beginning on March 1, 2011 we may redeem some or all of the unsecured notes at specified redemption prices. In addition, prior to March 1, 2010 we may redeem up to 35% of the secured notes or the unsecured notes with the net proceeds of certain equity offerings. Under certain circumstances, holders of the notes will have the right to require us to repurchase the notes. The redemption prices are discussed under the heading "Description of Secured Notes Optional Redemption" and "Description of Unsecured Notes Optional Redemption."

The secured notes will be unsecured, unsubordinated obligations of Rite Aid Corporation and will rank equally in right of payment with all of our other unsecured, unsubordinated indebtedness. We currently do not have any subordinated indebtedness. On August 23, 2006, we entered into a stock purchase agreement with The Jean Coutu Group (PJC) Inc., a Québec corporation ("Jean Coutu Group"), to acquire all of the membership interests of JCG (PJC) USA, LLC, a Delaware limited liability company ("Jean Coutu USA"), a wholly-owned subsidiary of Jean Coutu Group and the holding company for the Brooks and Eckerd drugstore chains, for cash, possible assumption of debt, and stock consideration (the "proposed acquisition"). If we assume Jean Coutu Group's 8.5% Senior Subordinated Notes due 2014 (the "Jean Coutu Notes") in the proposed acquisition, such notes will be subordinated indebtedness of Rite Aid Corporation. Our obligations under the secured notes will be guaranteed, subject to certain limitations, by all of our subsidiaries that guarantee our obligations under our existing senior secured credit facility and our outstanding senior secured notes (the "Rite Aid Subsidiary Guarantors") or, following the closing of the proposed acquisition, Jean Coutu USA and each of its domestic subsidiaries that does not solely engage in the pharmacy benefits management business (the "Jean Coutu Subsidiary Guarantors"), to the extent permitted under our credit facilities. The guarantees by the Rite Aid Subsidiary Guarantors of the secured notes will be secured, subject to permitted liens, by second priority liens granted by the Rite Aid Subsidiary Guarantors on all of their assets that secure our obligations under our existing senior secured credit facility. The second priority liens will be shared with the holders of certain existing and future indebtedness. The guarantees of our existing senior secured credit facility are currently secured by a first priority lien, and the guarantees of the secured notes will, upon issuance, be secured, subject to permitted liens, by a second priority lien, on the accounts receivable and chattel paper, deposit accounts, cash management accounts, contracts, documents, general intangibles, instruments, intellectual property, inventory and prescription files of the Rite Aid Subsidiary Guarantors (the "Rite Aid Collateral"). Any guarantee by the Jean Coutu Subsidiary Guarantors of the secured notes will be unsecured until after our filing with the Securities and Exchange Commission of our first balance sheet following the proposed acquisition and the satisfaction of certain other conditions (the "Post-Closing Filing"). Following the

Post-Closing Filing, the guarantees by the Jean Coutu Subsidiary Guarantors of the secured notes will be secured by second priority liens on the cash, cash equivalents, deposit accounts, securities accounts, accounts receivable, instruments, chattel paper, investment property, intellectual property, cash management accounts, documents in respect of inventory in transit, inventory and script lists of the Jean Coutu Subsidiary Guarantors (the "Jean Coutu Collateral" and, together with the Rite Aid Collateral, the "Collateral"). Pursuant to the security agreements and a collateral trust and intercreditor agreement, the holders of the first priority liens will, at all times, control all rights and remedies with respect to the Collateral while our existing senior secured credit facility or, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, is outstanding. The second priority liens will not entitle holders of the secured notes to take any action whatsoever with respect to the Collateral at any time when the first priority liens are outstanding. The holders of the first priority liens will receive all proceeds from any realization on the Collateral until the obligations secured by the first priority liens are paid in full. Our direct obligations under the secured notes will not be secured. Our subsidiaries own substantially all of our operating assets. If the subsidiary guarantees are invalid or are limited by fraudulent conveyance or other laws, the secured notes would be structurally subordinated to the substantial liabilities of our subsidiaries and the liens on the Collateral would be invalid, unenforceable or limited, as the case may be.

The unsecured notes will be unsecured, unsubordinated obligations of Rite Aid Corporation and will rank equally in right of payment with all of our other unsecured, unsubordinated indebtedness. Our obligations under the unsecured notes will not be guaranteed and, therefore, the unsecured notes will be effectively subordinated to all indebtedness of our subsidiaries. Following the proposed acquisition, we will be required to provide unsecured guarantees of our obligations under the unsecured notes by the same Rite Aid Subsidiary Guarantors and Jean Coutu Subsidiary Guarantors that will guarantee the secured notes, to the extent permitted by our credit facilities. Such guarantees, if granted, will be unsecured, unsubordinated obligations of the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors and will rank equally in right of payment with all of the Rite Aid Subsidiary Guarantors' and the Jean Coutu Subsidiary Guarantors' other unsecured, unsubordinated indebtedness. See "Description of Unsecured Notes Ranking."

Except as otherwise indicated, this prospectus supplement does not give pro forma effect to the proposed acquisition. This offering is not contingent upon consummation of the proposed acquisition and following their issuance, the notes offered hereby will remain outstanding whether or not the proposed acquisition is consummated.

Investing in the notes involves risks. See "Risk Factors" beginning on page S-22 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Senior Secured Note	Total	Per Senior Unsecured Note	Total
Public offering price	100.00%	$ 500,000,000	100.00%	$ 500,000,000
Underwriting discounts	2.00%	$ 10,000,000	2.25%	$ 11,250,000
Proceeds to Rite Aid before expenses	98.00%	$ 490,000,000	97.75%	$ 488,750,000

Interest on the notes will accrue from February 21, 2007.

The underwriters expect to deliver the notes to purchasers on or about February 21, 2007.

Sole Book-Running Manager

Citigroup

Co-Managers

Wachovia Securities **Barclays Capital**

February 15, 2007

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any dates on their respective covers.

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Prospectus

ABOUT THIS PROSPECTUS SUPPLEMENT

This document contains two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the notes and the related guarantees offered hereby with respect to the secured notes. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any notes, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where You Can Find More Information."

References to "Rite Aid," the "Company," "we," "our" and "us" and similar terms mean Rite Aid Corporation and its subsidiaries, unless the context otherwise requires.

References to "Jean Coutu Group" mean The Jean Coutu Group (PJC) Inc. and its subsidiaries and references to "Jean Coutu USA" mean JCG (PJC) USA, LLC and its subsidiaries, unless the context otherwise requires. References to Jean Coutu USA herein assume the consummation of a reorganization by Jean Coutu Group whereby JCG (PJC) USA, LLC, a Delaware limited liability company and wholly-owned subsidiary of Jean Coutu Group, will become the record owner of all of the capital stock of The Jean Coutu Group (PJC) USA, Inc., the current owner of all of the Brooks and Eckerd drugstore chains.

References to the "secured notes" and the "unsecured notes" mean the 7.5% Senior Secured Notes due 2017 and the 8.625% Senior Notes due 2015 offered hereby, respectively. References to the "notes" mean the unsecured notes and the secured notes and the related guarantees, collectively.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, and the documents incorporated by reference herein, include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions and include references to assumptions and relate to our future prospects, developments and business strategies.

Factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- our high level of indebtedness;
- our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our existing senior secured credit facility and other debt agreements, including the indentures governing the notes offered hereby;
- our ability to improve the operating performance of our existing stores in accordance with our long term strategy;
- our ability to hire and retain pharmacists and other store personnel;
- our ability to open or relocate stores according to our real estate development program;
- the efforts of private and public third party payors to reduce prescription drug reimbursement and encourage mail order;
- competitive pricing pressures and continued consolidation of the drugstore industry;
- changes in state or federal legislation or regulations;
- the outcome of lawsuits and governmental investigations;
- general economic conditions and inflation, interest rate movements and access to capital;
- our ability to consummate the proposed acquisition of Jean Coutu USA and the related transactions and realize the benefits of the proposed acquisition;
- our ability to assume Jean Coutu Group's 8.5% Senior Subordinated Notes due 2014 (the "Jean Coutu Notes") in connection with the proposed acquisition; and
- other risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission (the "SEC").

We undertake no obligation to update or revise the forward-looking statements included or incorporated by reference in this prospectus supplement, whether as a result of new information, future events or otherwise, after the date of this prospectus supplement. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences are discussed in the sections entitled "Risk Factors" included in this prospectus supplement, our Annual Report on Form 10-K for the fiscal year ended March 4, 2006, which we filed with the SEC on April 28, 2006, and our most recent Quarterly Report on Form 10-Q which we filed with the SEC on January 10, 2007.

SUMMARY

This summary does not contain all of the information that you should consider before investing in the notes. You should read the entire prospectus supplement carefully, including the matters discussed under the caption "Risk Factors" and the detailed information and financial statements included or incorporated by reference in this prospectus supplement. Except as otherwise indicated, this prospectus supplement does not give pro forma effect to our proposed acquisition of Jean Coutu USA and the related transactions (the "proposed acquisition"). This offering is not contingent upon consummation of the proposed acquisition and following their issuance, the notes offered hereby will remain outstanding whether or not the proposed acquisition is consummated. Where the pro forma effect of the proposed acquisition is presented herein, such pro forma information does not take into account any divestitures that may be required by federal or state regulatory authorities as a condition to such authorities' approval of the proposed acquisition. Unless otherwise indicated, references to fiscal year refer to the fiscal year of Rite Aid, which ends on the Saturday closest to February 29 or March 1 of that year. The fiscal year ended March 4, 2006 included 53 weeks. The fiscal years ended February 26, 2005, February 28, 2004, March 1, 2003 and March 2, 2002 included 52 weeks. Jean Coutu USA's fiscal years end on the last Saturday in May of each year. The fiscal years ended May 27, 2006, May 28, 2005, May 29, 2004 and May 25, 2002 included 52 weeks. The fiscal year ended May 31, 2003 included 53 weeks. For an explanation of the fiscal year ended March 4, 2006 and the thirty-nine weeks ended December 2, 2006 on a pro forma basis for the proposed acquisition, see "Unaudited Pro Forma Combined Financial Statements."

Our Business

We are the third largest retail drugstore chain in the United States based on revenues and number of stores. We operate our drugstores in 27 states across the country and in the District of Columbia. As of December 2, 2006, we operated 3,322 stores and, upon consummation of the proposed acquisition, the combined company will operate over 5,000 stores nationally, making us the largest drug store retail chain in the eastern United States. We expect to obtain leading positions in various major metropolitan markets, including New York City, Washington DC, Philadelphia, Boston and Atlanta upon consummation of the proposed acquisition. We expect to realize significant cost savings as we integrate and re-brand to the Rite Aid banner all of the Brooks and Eckerd stores that we acquire pursuant to the proposed acquisition. During fiscal 2006 and the thirty-nine week period ended December 2, 2006, we generated $17.3 billion and $12.9 billion in revenue, respectively, and, after giving pro forma effect to the proposed acquisition, the combined company would have generated $26.8 billion and $20.1 billion in revenue, respectively.

In our stores, we sell prescription drugs and a wide assortment of other merchandise, which we call "front-end" products. In fiscal 2006, prescription drug sales accounted for 63.2% of our total sales and approximately 67% of our total sales, giving pro forma effect to the proposed acquisition. We believe that our pharmacy operations, which will be strengthened by our proposed acquisition of the Brooks and Eckerd stores, will continue to represent a significant part of our business due to favorable industry trends, including an aging population, increased life expectancy, the federal government's adoption of a federally funded prescription drug benefit that began in January 2006 (Medicare Part D), which is part of the Medicare Prescription Drug Improvement and Modernization Act of 2003, the discovery of new and better drug therapies and our on-going program of purchasing prescription files from independent pharmacies. We currently offer approximately 25,000 front-end products, which in fiscal 2006 accounted for the remaining 36.8% of our total sales and the remaining approximately 33% of our total sales, giving pro forma effect to the proposed acquisition. Front-end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, beverages, convenience foods, greeting cards, seasonal merchandise and numerous other everyday and convenience products, as well as photo processing. We attempt to distinguish our stores from other national chain drugstores, in part, through our private brands and our strategic alliance with GNC, a leading retailer of vitamin and mineral supplements. We currently offer approximately 2,700 products under the Rite Aid private brand, which contributed approximately 11.8% of our front-end sales in the categories where private brand products were offered in fiscal 2006.

The overall average size of each store in our chain is approximately 12,800 square feet and, after giving pro forma effect to the proposed acquisition, will be approximately 12,000 square feet. The average size of our stores is larger in the Western United States. As of March 4, 2006, approximately 54% of our stores were freestanding, approximately 41% included a drive-thru pharmacy, approximately 78% included one-hour photo shops, and approximately 34% included a GNC store-within-Rite Aid-store. Upon consummation of the proposed acquisition, approximately 54% of our stores will be freestanding, approximately 43% of our stores will include a drive-thru pharmacy and approximately 70% will include one-hour photo shops. In addition, we intend to incorporate the GNC store-within-Rite Aid-store concept into certain Brooks and Eckerd drugstores.

Proposed Acquisition of Jean Coutu USA

On August 23, 2006, we entered into a stock purchase agreement (the "stock purchase agreement") with Jean Coutu Group to acquire all of the membership interests of Jean Coutu USA, a wholly-owned subsidiary of Jean Coutu Group and the holding company for the Brooks and Eckerd drugstore chains. Following the completion of the proposed acquisition, Jean Coutu Group will be our largest stockholder, owning approximately 32.0% of our common stock, which will represent approximately 30.2% of the voting power of our voting securities then-outstanding. As consideration for the proposed acquisition of Jean Coutu USA, we will issue 250 million shares of our common stock to Jean Coutu Group in accordance with the terms of the stock purchase agreement, pay Jean Coutu Group $1.45 billion in cash (subject to a working capital adjustment), and intend to assume $850 million of the Jean Coutu Notes (with the cash component increasing to $2.3 billion if the Jean Coutu Notes are not assumed).

On December 8, 2006, the Jean Coutu Group filed against the trustee under the Jean Coutu Notes a complaint for declaratory judgment in the United States District Court for the Southern District of New York (the "Action"). Among other things, the complaint seeks a declaratory judgment that the indenture permits Rite Aid's assumption of the Jean Coutu Notes. On December 20, 2006, the holders of the Jean Coutu Notes sought and subsequently were granted permission to intervene in the Action. The holders of the Jean Coutu Notes answered the complaint and filed counterclaims which seek, among other things, a judgment declaring (i) that the proposed acquisition is not a sale of all or substantially all of the Jean Coutu Group's assets and that the substitution of Rite Aid for the Jean Coutu Group as obligor on the Jean Coutu Notes would be a breach of the indenture and an event of default under it; or (ii) a judgment declaring a violation of Section 801 of the indenture for the Jean Coutu Notes if, in connection with the sale of "all or substantially all" of its assets the Jean Coutu Group dissolves guaranteeing subsidiaries that it is not selling rather than requiring those subsidiaries to reaffirm their guarantees. This Action is currently in discovery and briefing for summary judgment is scheduled to close on March 2, 2007 with a hearing on the motion for summary judgment scheduled for March 9, 2007. While we believe that Jean Coutu Group's position has merit, if it is determined that we cannot assume the Jean Coutu Notes, we believe we will be able to fund the remaining cash component of the purchase price via the issuance of new debt, which may be secured and/or unsecured.

Jean Coutu Group is the fourth largest drugstore chain in North America and the second largest in both the Eastern United States and Canada. Jean Coutu Group and its combined network of 2,186 corporate-owned and franchised drugstores (under the banners of Brooks and Eckerd Pharmacy, PJC Jean Coutu, PJC Clinique and PJC Sante Beaute) employed more than 61,000 people, as of November 25, 2006. Jean Coutu Group's U.S. operations, as of November 25, 2006, employed approximately 46,000 people and comprised 1,859 corporate owned stores located in 18 states of the Northeastern, mid-Atlantic and Southeastern United States. Jean Coutu Group acquired the stores operating under the Eckerd banner from J.C. Penney in 2004. See "Jean Coutu USA Management's Discussion and Analysis of Financial Condition and Results of Operations" for a more detailed discussion.

On September 18, 2006, each of Rite Aid and Jean Coutu Group filed a Pre-Merger Notification and Report Form pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") with the Department of Justice (the "DOJ") and the Federal Trade Commission (the "FTC"). On October 18, 2006, each of Rite Aid and Jean Coutu Group received a request for additional information from the FTC regarding the proposed acquisition. We and Jean Coutu Group intend to cooperate fully with the FTC in its review of the proposed acquisition under the HSR Act. The proposed acquisition is also subject to similar review by various state regulatory authorities. We expect the FTC and other governmental authorities may require us to divest of some stores in overlapping geographic areas as a condition of approval of the proposed acquisition under antitrust laws. Notwithstanding anything to the contrary in the stock purchase agreement, neither we nor Jean Coutu USA will be required in order to resolve any objections asserted under antitrust laws by any governmental authority with respect to the proposed acquisition to divest any of its businesses or assets representing, or the imposition of conditions affecting, store-level Adjusted EBITDA (as defined in the stock purchase agreement) of in excess of an aggregate of $60 million before advertising and corporate administration expenses, for the most recently completed fiscal year. In addition, in connection with our plan to integrate the Brooks and Eckerd drugstore chains with our existing stores, following consummation of the proposed acquisition, we expect to close additional Brooks and Eckerd stores and Rite Aid stores, with the goal of maximizing efficiency in markets where we will, on a combined company basis, have multiple stores in close proximity. Because the majority of store closures required by the FTC or other governmental authorities or that we choose to make will be in markets where we already had a presence, it is unclear what the impact of such closures will be on our overall sales and revenues. As stated above, the pro forma information provided herein, including the number of stores as well as revenue and income figures, do not account for these dispositions.

See "The Proposed Acquisition" for a more detailed description of the proposed acquisition.

Strategic Rationale

We believe that our proposed acquisition of Jean Coutu USA provides several strategic benefits, including the following:

- a significant increase in the footprint and operating scale of our business, with increased presence in key strategic markets;

- the creation of the leading drugstore retailer in the Eastern United States, which we believe will allow us to achieve the scale necessary to remain competitive with our major competitors;

- long-term value creation through net reductions in costs and expenses, achievement of meaningful synergies, including additional operational efficiencies, greater economies of scale and revenue enhancements resulting in higher operating cash flow and a decrease in our leverage ratio;

- better positioning to capture additional growth in a sector where growth is projected over the next 5 years;

- an opportunity to apply our scaleable infrastructure, including our programs, best practices and management capabilities, across a larger store network, which we believe will improve profitability through cost savings and sales growth; and the operating experience of certain members of our management in implementing previous retail mergers and leading the turnaround of Rite Aid, and the expectation that the combined company would continue to be managed by our experienced senior executives.

Our Strategy

Our strategy is to continue to focus on improving the productivity of our existing stores and developing new and relocated stores in our strongest existing markets as well as integrating the stores we acquire from Jean Coutu Group under the Rite Aid banner. We believe that improving the sales of existing stores and growing our existing markets is critical to improving our profitability and cash flow. We believe the consummation of the proposed acquisition will broaden and accelerate the implementation of our strategy, however, our strategy will remain the same even if the proposed acquisition is not consummated.

The following paragraphs describe in more detail the components of our strategy:

Integrate Brooks and Eckerd Stores Under Rite Aid Banner and Develop Stores in Existing Markets. We intend to convert all Brooks and Eckerd stores to the Rite Aid banner within 12 months following the completion of the proposed acquisition. We have assigned senior managers focused exclusively on and fully dedicated to ensuring the successful integration of the Brooks and Eckerd stores, with oversight by our senior executives including our Chief Executive Officer and Chief Operating Officer. Initially, as part of the integration and conversion process, the banners and signs of the Brooks and Eckerd stores will be changed to Rite Aid and all Brooks and Eckerd store systems will be converted to the Rite Aid store systems, including our pharmacy management and dispensing system, Nexgen. Following the store system conversion, the stores will be re-set, re-merchandised and upgraded to the Rite Aid décor package. To ensure successful integration and conversion with minimal disruption to our customers, we intend to launch a pilot store conversion program to test our integration and conversion process, and then convert all Brooks and Eckerd stores gradually over a 12 month period. We also expect to continue our new and relocated store and store remodeling program and intend to incorporate the Brooks and Eckerd stores into the program. We expect that some of the Brooks and Eckerd stores will also be remodeled within the first 12 months following the completion of the proposed acquisition. We expect that almost all Brooks and Eckerd stores will be remodeled over the next several years. As part of the new and relocated store and store remodeling program, some of the Brooks or Eckerd and Rite Aid stores that are in close proximity to one another may be combined to improve overall productivity.

Our new and relocated store program is focused on our strongest existing markets. Our goal, whether or not the proposed acquisition is consummated, is to open or relocate approximately 800 to 1,000 stores over the next five years, of which we expect that at least 50% will be relocated stores. As part of this program, we plan to continue remodeling stores, even if the proposed acquisition is not consummated. An integral part of the program is a new prototype store. Approximately 101 new or relocated stores have been constructed and opened utilizing the new prototype. We expect that almost all of the planned new and relocated stores will be the new prototype store. We believe that this program, over the longer term, along with the execution of our near term strategy of improving store productivity, will increase our sales and customer satisfaction.

Grow our Pharmacy Sales and Attract More Customers. We believe that customer service and convenience are key factors to growing pharmacy sales. To improve customer service, we are focused on our "With Us, It's Personal" program that is aimed at delivering more personalized service along with timely delivery to our customers. To help our pharmacists do this, we developed and implemented a new pharmacy management and dispensing system and expect to implement this system in the Brooks and Eckerd stores that we acquire in the proposed acquisition. This system, which we call "Nexgen," provides our pharmacists with better tools and information to meet our customers' needs. In addition, Nexgen provides management with important information about the performance of each pharmacy in critical operating areas that drive customer service. We provide our customers with an easy and convenient way to order refills over the telephone or the internet using our automatic refill program. To provide better value to our customers we recommend, when appropriate, the utilization of generic drugs. Generic drugs, which often cost our customers significantly less than a branded drug, are also more profitable for us. Our generic penetration continues to increase every year, and we are setting our goals even higher in future years to take advantage of the substantial number of new generics expected to come to market in the next couple of years.

The implementation of the Medicare Part D Act in January of 2006 provides prescription drug coverage to numerous senior citizens who previously were not covered. We partnered with several third party health plans in programs that communicated information on the Medicare Part D Act to senior citizens. We also offer senior citizens newsletters and prescription discounts through our Living More program, a customer loyalty program. We have also expanded our home health category to target senior citizens with products like wheelchairs, canes, electric scooters and products that enhance bath safety. We believe that programs like these will help us to grow prescription sales in this important market.

To help grow sales and script count, we acquire pharmacy files from other drug stores and have initiatives designed to attract and retain those customers. Other initiatives put in place in fiscal 2006 that we expect to grow our pharmacy sales include the opening of in-store health clinics in the Los Angeles, California and Sacramento, California areas, and the launch of a medication therapy management program, a fee for service arrangement, in conjunction with physicians and the University of Pittsburgh. We believe these initiatives have been effective at growing sales in their target markets and have scalable, replicable potential for future expansion.

We also have the capability to provide pharmacy benefit management ("PBM") services to employers, health plans and insurance companies. We intend to offer, through our PBM capabilities, a 90 day at retail alternative to mail order. We believe that providing PBM services will create opportunities to direct customers to our stores.

Grow Front-End Sales. We intend to grow front-end sales through continued emphasis on core drugstore categories, a commitment to health and wellness products to enhance our pharmacy position, a focus on seasonal and cross-merchandising, offering a wider selection of products and services to our customers and effective promotions in our weekly advertising circulars. Our focus for expanding our products and services includes several fully integrated health condition marketing programs, e.g., diabetes, allergy, vitamins, heart health, skincare and weight management, a continued strengthening of our collaborative relationship with our suppliers, an emphasis on our Rite Aid private brand products, which provide better value for our customers and higher margins for us, offering ethnic products targeted to selected markets, expansion of the number of GNC store-within-Rite Aid-store, and utilizing digital technology in our one-hour photo development. We believe that the new store and relocation program described earlier will also contribute to an increase in our front-end sales.

The average front-end sales per store for the Rite Aid stores are approximately 35% more than the average front-end sales per store for the Brooks and Eckerd stores located in the same markets, even though the average square footage of such Rite Aid stores is slightly less than the average square footage of such Brooks and Eckerd stores. We believe that following the consummation of the proposed acquisition, the implementation of the Rite Aid "best practices" described in the previous paragraph will increase the average Brooks and Eckerd front-end sales per store to a level similar to the average Rite Aid front-end sales per store. Our goal is to increase the average Brooks and Eckerd front-end sales per store to the level of the average Rite Aid front-end sales per store.

Focus on Customers and Associates. Our "With Us, It's Personal" commitment encourages associates to provide customers with a superior customer service experience. We obtain feedback on our customer service performance by utilizing an automated survey system that collects store specific information from customers shortly after the point of sale and from independent third party customer surveys. We also have several programs in place that are designed to enhance customer satisfaction, examples of which are the maintenance of a customer support center that centrally receives and processes all customer calls and our "never out of stock" program. We continue to develop and implement associate training programs to improve customer satisfaction and educate our associates about the products we offer. We have implemented programs that create compensatory and other incentives for associates to provide customers with excellent service. We believe that these steps further enable and motivate our associates to deliver superior customer service.

Expense Control and Cost Savings Through Synergies. In our existing stores, and in the combined company upon completion of the proposed acquisition, our goal is to either reduce costs, lower expense or contain expense in order to leverage the pharmacy and front end sales growth strategies described earlier, which will allow for more investment in the strategies important for our future. We budget and monitor all areas of expense and have also targeted areas of spending for improvement. Our targeted expense areas are subject to analysis of the processes involved, with an emphasis on collaboration between areas in the company and vendors, utilization of competition between vendors and consolidation of spending volumes to achieve economies of scale. Examples of targeted expense areas include: (i) inventory returns, (ii) utility expense and (iii) temporary labor. We plan to implement strategies to reduce the volume of merchandise returns and thereby reduce the labor expense and inventory valuation losses related to returns. We also intend to better control utility expense by focusing on improving the energy management practices and replacing certain equipment to lower consumption and accessing alternative energy sources for a lower cost. We plan to collaborate and consolidate the various temporary labor arrangements throughout our business to achieve economies of scale.

In addition to the focus and activities described in the previous paragraph, following consummation of the proposed acquisition, we estimate that net reductions in costs and expenses of approximately $150 million (which is net of an assumed loss of $60 million of store-level Adjusted EBITDA (as defined in the stock purchase agreement) and $40 million of additional labor and benefit expense) will be realized after a one-year integration period. The general categories of anticipated cost and expense reduction opportunities are cost of product, corporate administrative expenses, advertising expenses and other expense reduction opportunities. We estimate cost of product reductions of approximately $115 million, primarily from purchasing certain products for all stores under the current vendor contract with the best price and reduction in shrink. We also estimate corporate administrative expense reductions of approximately $55 million, related to the consolidation of the Brooks and Eckerd headquarter functions into the Rite Aid headquarter functions. We estimate advertising expense reductions of approximately $45 million, from eliminating advertising expense that is duplicated in common markets. We also expect other expense reduction opportunities of approximately $35 million in areas such as energy management, physical inventory processes and supply procurement processes. We also expect other benefits and synergies to result from additional operational efficiencies, greater economies of scale and revenue enhancement opportunities. However, the timing and size of these other benefits and synergies cannot be currently determined. We can provide no assurance that the anticipated benefits and synergies from the proposed acquisition described herein will be realized upon consummation of the proposed acquisition.

The Offering

Issuer	Rite Aid Corporation, a Delaware corporation.
Notes Offered	$500,000,000 aggregate principal amount of 7.5% Senior Secured Notes due 2017 (which we refer to in this prospectus supplement as the secured notes). $500,000,000 aggregate principal amount of 8.625% Senior Notes due 2015 (which we refer to in this prospectus supplement as the unsecured notes).
Maturity Date	For the secured notes: March 1, 2017. For the unsecured notes: March 1, 2015.
Interest	We will pay interest on the secured notes at the rate of 7.5% per year, payable in cash, on March 1 and September 1 of each year, beginning on September 1, 2007. We will pay interest on the unsecured notes at the rate of 8.625% per year, payable in cash, on March 1 and September 1 of each year, beginning on September 1, 2007.
Subsidiary Guarantees	Our obligations under the secured notes will be guaranteed, subject to certain limitations, by all of our subsidiaries that guarantee our obligations under our existing senior secured credit facility and our outstanding senior secured notes (the "Rite Aid Subsidiary Guarantors") and will rank *pari passu* in right of payment with our other senior secured notes and subordinate in right of payment to our existing senior secured credit facility and, following our filing with the SEC of our first balance sheet following the proposed acquisition and satisfaction of certain other conditions (the "Post-Closing Filing"), our new $1.105 billion senior secured credit facility (the "Tranche 2 Term Loan Facility") (which may be reduced depending on our financing structure following the proposed acquisition). Following the closing of the proposed acquisition, our obligations under the secured notes will be guaranteed on a subordinated basis to our senior secured credit facility by the Rite Aid Subsidiary Guarantors and if we are able to amend our credit facilities, Jean Coutu USA and each of its domestic subsidiaries that does not solely engage in the pharmacy benefits management business (the "Jean Coutu Subsidiary Guarantors"). If we are unable to obtain the necessary amendments from our lenders under our credit facilities, the secured notes will not be guaranteed by the Jean Coutu Subsidiary Guarantors until after the Post-Closing Filing. If we are unable to obtain the requisite amendments to our credit facilities, the secured notes will be structurally subordinated to all obligations of the Jean Coutu Subsidiary Guarantors until the Post-Closing Filing.

Following the Post-Closing Filing, the secured notes will be guaranteed by the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors and such guarantees will rank *pari passu* in right of payment with the guarantees of our outstanding senior secured notes and the senior secured notes we expect to issue to finance a portion of the proposed acquisition (the "Acquisition Notes") and subordinate in right of payment to the guarantees of our existing senior secured credit facility and the Tranche 2 Term Loan Facility.

Under certain circumstances, subsidiaries may be released from their guarantees of the secured notes without the consent of the holders of the secured notes.

Our obligations under the unsecured notes will not be guaranteed. Following the proposed acquisition, we will be required to provide guarantees of our obligations under the unsecured notes by the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors, to the extent the issuance of such guarantees is permitted by our credit facilities. Such guarantees, if granted, will be unsecured, unsubordinated obligations of the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors.

If we consummate the proposed acquisition, the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors will guarantee our 9.25% notes due 2013.

The unsecured notes will be structurally subordinated to the substantial liabilities of our subsidiaries, which include guarantees of our secured debt (including the secured notes). In addition, the unsecured notes will be effectively subordinated to any secured debt we issue in the future. Any guarantees of the unsecured notes granted following the proposed acquisition would be effectively subordinated to the substantial secured debt of the Rite Aid Subsidiary Guarantors and, following the proposed acquisition, the Jean Coutu Subsidiary Guarantors, which includes guarantees of our secured debt (including the secured notes).

Our subsidiaries conduct substantially all of our operations and have significant liabilities, including trade payables. If the subsidiary guarantees of the notes are invalid or unenforceable or are limited by fraudulent conveyance or other laws, the notes will be structurally subordinated to the substantial secured debt of our subsidiaries and the liens on the collateral in respect of the guarantees of the secured notes would be invalid, unenforceable or limited, as the case may be.

Security	The guarantees by the Rite Aid Subsidiary Guarantors of the secured notes will be secured, subject to permitted liens, by second priority liens granted by the Rite Aid Subsidiary Guarantors on all of their assets that secure our obligations under our existing senior secured credit facility, which includes the accounts receivable and chattel paper, deposit accounts, cash management accounts, contracts, documents, general intangibles, instruments, intellectual property, inventory and prescription files of the Rite Aid Subsidiary Guarantors (the "Rite Aid Collateral"). The second priority liens will be shared with the holders of certain existing and future indebtedness. The guarantees of our existing senior secured credit facility are currently secured by a first priority lien, and the guarantees of the secured notes will, upon issuance, be secured, subject to permitted liens, by a second priority lien, on the Rite Aid Collateral. Following the proposed acquisition but prior to the Post-Closing Filing, the secured notes will be secured by second priority liens on the Rite Aid Collateral and guaranteed by the Jean Coutu Subsidiary Guarantors, to the extent permitted, on an unsecured basis until after the Post-Closing Filing. Following the Post-Closing Filing, the guarantees of the secured notes by the Rite Aid Subsidiary Guarantors of the secured notes will continue to be secured by second priority liens on the Rite Aid Collateral. In addition, following the Post-Closing Filing, the guarantees of the secured notes by the Jean Coutu Subsidiary Guarantors will be secured by accounts receivable and chattel paper, deposit accounts, cash management accounts, contracts, documents, general intangibles, instruments, intellectual properties, inventory and prescription files of the Jean Coutu Subsidiary Guarantors (the "Jean Coutu Collateral" and, together with the Rite Aid Collateral, the "Collateral"). Under certain circumstances, collateral may be released without the consent of the holders of the secured notes. The guarantees of the secured notes will share the Collateral on a second priority basis with the guarantees of our outstanding 8.125% senior secured notes due 2010 (the "8.125% Notes"), the 9.5% senior secured notes due 2011 (the "9.5% Notes") and 7.5% senior secured notes due 2015 (the "7.5% Notes"). We intend to use a portion of the net proceeds of this offering to redeem the 9.5% Notes in accordance with their terms at a price equal to 104.750% of their outstanding principal amount plus any interest to, but not including, the date of redemption. Our direct obligations under the secured notes will not be secured. Our subsidiaries own substantially all of our operating assets. If the subsidiary guarantees are invalid or unenforceable or limited by fraudulent conveyance or other laws, the secured notes will be structurally subordinated to the substantial liabilities of our subsidiaries and the liens on the Collateral would be invalid, unenforceable or limited, as the case may be.

The unsecured notes will not be secured. Any guarantees of the unsecured notes granted following our proposed acquisition of Jean Coutu USA would not be secured.

Ranking

As of December 2, 2006, after giving effect to this offering and the application of the net proceeds from this offering (but not giving effect to the proposed acquisition or the financing thereof):

- the total outstanding debt of us and the Rite Aid Subsidiary Guarantors (including current maturities and capital lease obligations, but excluding unused commitments, undrawn letters of credit and off balance sheet obligations under our accounts receivable securitization program) would have been approximately $3.2 billion;

- none of our or any Rite Aid Subsidiary Guarantors' debt would have been subordinated to the notes or the subsidiary guarantees of the secured notes;

- the total outstanding debt of us and the Rite Aid Subsidiary Guarantors that would be senior to the guarantees of the secured notes by the Rite Aid Subsidiary Guarantors and have the benefit of first priority liens on the Rite Aid Collateral would have been approximately $541.1 million (not including $117.1 million of outstanding letters of credit);

- the total outstanding debt of us and the Rite Aid Subsidiary Guarantors that would have the benefit of *pari passu* subordinated guarantees from the Rite Aid Subsidiary Guarantors of the secured notes and share *pari passu,* subject to permitted liens, second priority liens on the Rite Aid Collateral would have been approximately $1.06 billion (including the secured notes offered hereby); and

- the total outstanding secured debt of us and our subsidiaries that would be effectively senior to the unsecured notes would have been approximately $1.6 billion.

As of December 2, 2006, after giving effect to this offering and the application of the net proceeds of this offering and the proposed acquisition, we and our subsidiaries would have had approximately $5.64 billion of outstanding indebtedness.

Our existing senior secured credit facility is secured by first priority liens on the Rite Aid Collateral. Following the proposed acquisition but prior to the Post-Closing Filing, the Tranche 2 Term Loan Facility will be secured by first priority liens on the equity interests in the Jean Coutu Subsidiary Guarantors. Following the Post-Closing Filing, our existing senior secured credit facility and our Tranche 2 Term Loan Facility will be secured by a first priority lien on the Collateral and these liens will be prior in right to the liens securing the secured notes. Pursuant to the indenture governing the secured notes, the security agreements and a collateral trust and intercreditor agreement, additional debt secured by first priority liens and additional debt secured by second priority liens may be incurred without the consent of the holders of the secured notes. Pursuant to the security agreements and a collateral trust and intercreditor agreement, the holders of the first priority liens will, at all times, control all rights and remedies with respect to the Collateral while our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, are outstanding. The second priority liens will not entitle holders of the secured notes to take any action whatsoever with respect to the Collateral at any time when the first priority liens are outstanding. The holders of the first priority liens will receive all proceeds from any realization on the Collateral until the obligations secured by the first priority liens are paid in full.

The indenture for the secured notes provides that the holders of secured notes are deemed to have consented to various releases of Collateral and subsidiary guarantees as well as various amendments to the second priority collateral documents that could be adverse to holders of secured notes.

Following the issuance of the guarantees of the secured notes by the Jean Coutu Subsidiary Guarantors, the secured notes (and the related guarantees) will rank *pari passu* in all respects with our existing second priority notes, which consist of the 8.125% Notes, the 9.5% Notes (while they remain outstanding) and the 7.5% Notes, including, in each case the related guarantees.

Prior to the proposed acquisition, the unsecured notes will rank *pari passu* in all respects with the 9.25% Notes. Following the proposed acquisition, assuming the requisite amendments to our debt documents are obtained, the unsecured notes (and the related guarantees) will rank *pari passu* in all respects with the 9.25% Notes (and the related guarantees).

See "Description of Secured Notes," "Description of Unsecured Notes" and "Description of Collateral and Intercreditor Agreements."

Form and Denomination	The notes will be issued only in registered form. The notes will initially be issued in minimum denominations of $2,000. The secured notes and the unsecured notes initially sold by the underwriters will each be represented by a single permanent global note in fully registered form, deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company ("DTC"). Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Except as described herein, notes in certificated form will not be issued in exchange for the global notes or interests therein.
Optional Redemption	Prior to March 1, 2012, we may redeem some or all of the secured notes by paying a "make-whole" premium based on U.S. Treasury rates. Prior to March 1, 2011, we may redeem some or all of the unsecured notes by paying a "make-whole" premium based on U.S. Treasury rates. On or after March 1, 2012 we may redeem some or all of the secured notes at the redemption prices listed under the headings "Description of Secured Notes Optional Redemption," plus accrued and unpaid interest to, but not including, the date of redemption. On or after March 1, 2011, we may redeem some or all of the unsecured notes at the redemption prices listed under the headings "Description of Unsecured Notes Optional Redemption," plus accrued and unpaid interest to, but not including, the date of redemption. In addition, at any time and from time to time, prior to March 1, 2010, we may redeem up to 35% of the original aggregate principal amounts of the secured notes or the unsecured notes, respectively, with the net proceeds of one or more of our equity offerings at a redemption price of 107.500% and 108.625% of the principal amount, respectively, plus accrued and unpaid interest, if any, to the date of redemption, provided that at least 65% of the original aggregate amount of the applicable series of notes remain issued and outstanding.
Repurchase at Option of Holders Upon a Change in Control	In the event of a change in control (as defined under the headings "Description of Secured Notes Definitions," and "Description of Unsecured Notes Definitions," respectively), each holder of notes may require us to repurchase its secured notes or unsecured notes, as applicable, in whole or in part, at a repurchase price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. See "Description of Secured Notes Repurchase at the Option of Holders Upon a Change of Control," "Description of Unsecured Notes Repurchase at the Option of Holders Upon a Change of Control," and "Risk Factors Risks Related to the Notes We may be unable to purchase the notes upon a change of control."
Certain Covenants	The indentures governing the notes will contain covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: incur additional debt;

- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments; and
- merge or consolidate with any other person.

Use of Proceeds	We will use the net proceeds of this offering to redeem our 9.5% senior secured notes due 2011 in accordance with their terms at a price equal to 104.750% of their outstanding principal amount plus any interest to, but not including, the date of redemption, to repay amounts outstanding under our existing senior secured credit facility and for general corporate purposes. See "Use of Proceeds."
Proposed Acquisition Financing	We intend to use the net proceeds of an offering of $870 million aggregate principal amount of the Acquisition Notes, together with borrowings of approximately $680 million under the Tranche 2 Term Loan Facility, the issuance of 250 million shares of our common stock, and possible assumption of the Jean Coutu Notes to fund the proposed acquisition (with the cash component increasing to $2.3 billion through additional debt incurred if the Jean Coutu Notes are not assumed). The Acquisition Notes will be guaranteed by the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors and initially will be secured by a second priority lien on all the equity interests in the Jean Coutu Subsidiary Guarantors. Following the Post-Closing Filing, the Acquisition Notes will be secured by a first priority lien in all the equity interests in the Jean Coutu Subsidiary Guarantors. We are not offering the Acquisition Notes pursuant to this prospectus supplement.
Risk Factors	You should consider carefully all of the information set forth in this prospectus supplement and, in particular, you should evaluate the specific factors under "Risk Factors."

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Our headquarters are located at 30 Hunter Lane, Camp Hill, Pennsylvania 17011, and our telephone number is (717) 761-2633. Our common stock is listed on the New York Stock Exchange (the "NYSE") under the trading symbol "RAD." We were incorporated in 1968 and are a Delaware corporation.

SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

We prepared the following summary unaudited pro forma combined financial statements for the thirty-nine weeks ended December 2, 2006 and the fiscal year ended March 4, 2006 using the historical consolidated financial statements of Rite Aid and Jean Coutu USA. This information is only a summary. The data set forth in the table below should be read in conjunction with, and is qualified in its entirety by, "The Proposed Acquisition," "Unaudited Pro Forma Combined Financial Statements," "Selected Historical Consolidated Financial Data of Rite Aid," "Selected Historical Financial Data of Jean Coutu USA," "Rite Aid Management's Discussion and Analysis of Financial Condition and Results of Operations," "Jean Coutu USA Management's Discussion and Analysis of Financial Condition and Results of Operation," our audited and unaudited consolidated financial statements and the accompanying notes that we incorporated by reference in this prospectus supplement, Jean Coutu USA's audited consolidated financial statements and the accompanying notes contained in our Definitive Proxy Statement, which we filed with the SEC on November 30, 2006 and have incorporated by reference in this prospectus supplement, and the unaudited consolidated condensed financial statements and the accompanying notes contained herein.

	39 weeks ended December 2, 2006			Fiscal Year Ended March 4, 2006		
	Rite Aid Corporation	Pro Forma for this Offering	Pro Forma for Proposed Acquisition	Rite Aid Corporation	Pro Forma for this Offering	Pro Forma for Proposed Acquisition
	(Dollar and share information in millions)					
Summary of Operations:						
Revenues	$ 12,945.7	$ 12,945.7	$ 20,074.1	$ 17,271.0	$ 17,271.0	$ 26,766.9
Costs and expenses:						
Cost of goods sold	9,456.6	9,456.6	14,872.3	12,571.9	12,571.9	19,757.6
Selling, general and administrative expenses	3,247.2	3,247.2	4,931.6	4,307.4	4,307.4	6,555.9
Store closing and impairment charges	24.2	24.2	47.0	68.7	68.7	96.9
Interest expense	205.7	212.8	369.2	277.0	285.0	493.8
Loss on debt modifications and retirements, net				9.2	9.2	9.2
Loss (gain) on sale of assets and investments, net	(1.4)	(1.4)	(3.0)	(6.5)	(6.5)	(14.5)
Total costs and expenses	12,932.3	12,939.4	20,217.1	17,227.7	17,235.7	26,898.9
Income (loss) before income taxes	13.4	6.3	(143.0)	43.3	35.3	(132.0)
Income tax (benefit) expense	1.7	(1.8)	(57.7)	(1,229.8)	(1,233.8)	(1,296.8)
Net income (loss)	$ 11.7	$ 8.1	$ (85.3)	$ 1,273.1	$ 1,269.1	$ 1,164.8
Financial Position:						
Property, plant and equipment, net	$ 1,697.3	$ 1,697.3	$ 2,819.3			
Total assets	7,132.2	7,160.4	12,005.0			
Total liabilities	5,506.9	5,544.0	9,306.7			
Total debt	3,147.3	3,184.2	5,641.6			
Stockholders' equity (deficit)	1,625.3	1,616.4	2,698.3			

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF RITE AID

We derived our following summary financial data from audited financial statements for fiscal years 2002 through 2006 and from unaudited financial statements for the thirty-nine weeks ended December 2, 2006 and November 26, 2005 which are incorporated by reference in this prospectus supplement. In the opinion of our management, this unaudited interim period information reflects all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results of operations and financial condition for the thirty-nine weeks ended December 2, 2006 and November 26, 2005. Results for interim periods should not be considered indicative of results for any other periods or for the year.

This information is only a summary. You should read the data set forth in the table below in conjunction with "Selected Historical Consolidated Financial Data of Rite Aid," "Rite Aid Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited and unaudited consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	Thirty-Nine Weeks Ended		Fiscal Year Ended				
	Dec. 2, 2006	Nov. 26, 2005	Mar. 4, 2006 (53 weeks)	Feb. 26, 2005 (52 weeks)	Feb. 28, 2004 (52 weeks)	Mar. 1, 2003 (52 weeks)	Mar. 2, 2002 (52 weeks)
	(Dollars and share information in thousands)						
Summary of Operations:							
Revenues	$ 12,945,650	$ 12,499,642	$ 17,270,968	$ 16,816,439	$ 16,600,449	$ 15,791,278	$ 15,166,170
Costs and expenses:							
Cost of goods sold(1)	9,456,572	9,075,083	12,571,860	12,202,894	12,163,735	11,611,829	11,252,229
Selling, general and administrative expenses(1) (2)	3,247,208	3,150,392	4,307,421	4,127,536	4,029,220	3,900,553	3,850,134
Goodwill amortization(3)							21,007
Store closing and impairment charges	24,153	26,305	68,692	35,655	22,074	135,328	251,617
Interest expense	205,703	205,273	277,017	294,871	313,498	330,020	396,064
Interest rate swap contracts						278	41,894
Loss (gain) on debt modifications and retirements, net		9,186	9,186	19,229	35,315	(13,628)	221,054
Share of loss from equity investments							12,092
Loss (gain) on sale of assets and investments, net	(1,403)	(3,865)	(6,462)	2,247	2,023	(18,620)	(42,536)
Total costs and expenses	12,932,233	12,462,374	17,227,714	16,682,432	16,565,865	15,945,760	16,003,555
Income (loss) before income taxes	13,417	37,268	43,254	134,007	34,584	(154,482)	(837,385)
Income tax expense (benefit)	1,688	10,635	(1,229,752)	(168,471)	(48,795)	(41,940)	(11,745)
Net income (loss)	$ 11,729	$ 26,633	$ 1,273,006	$ 302,478	$ 83,379	$ (112,542)	$ (825,640)
Financial Position:							
Working capital	$ 1,214,993	$ 1,188,149	$ 741,488	$ 1,335,017	$ 1,894,247	$ 1,676,889	$ 1,580,218
Property, plant and equipment, net	1,697,347	1,678,357	1,717,022	1,733,694	1,882,763	1,867,830	2,095,552
Total assets	7,132,217	5,836,251	6,988,371	5,932,583	6,245,634	6,132,766	6,491,281
Total debt(4)	3,147,210	3,081,189	3,051,446	3,311,336	3,891,666	3,862,628	4,056,468
Redeemable preferred stock(5)	20,047	19,944	19,970	19,868	19,766	19,663	19,561
Stockholders' equity (deficit)	1,625,275	352,318	1,606,921	322,934	(8,277)	(129,938)	(7,527)
Other Data:							
Cash flows from operations provided by (used in):							
Operating activities	$ 182,745	$ 336,758	$ 417,165	$ 518,446	$ 227,515	$ 305,383	$ 16,343
Investing activities	(208,425)	(132,182)	(231,084)	(118,985)	(242,150)	(72,214)	342,531
Financing activities	98,010	(262,267)	(272,835)	(571,395)	(15,931)	(211,903)	(107,109)

	Thirty-Nine Weeks Ended		Fiscal Year Ended				
Capital expenditures	247,821	225,783	341,349	222,417	267,373	116,154	187,383
Number of retail drug stores	3,322	3,333	3,323	3,356	3,382	3,404	3,497
Number of associates	70,100	71,200	70,200	71,200	72,500	72,000	75,000

(1) Costs of goods sold and selling, general and administrative expenses for the fiscal years ended February 26, 2005, February 28, 2004, March 1, 2003, March 2, 2002 and for the thirty-nine week period ended November 26, 2005 have been reclassified to conform to current presentation of occupancy costs in selling, general and administrative expenses and warehousing and outbound freight costs in cost of goods sold.

(2) Includes stock-based compensation expense (benefit). Stock-based compensation expense for the fiscal years ended March 4, 2006, February 26, 2005 and February 28, 2004 and for the thirty-nine week period ended November 26, 2005 was determined using the fair value method set forth in Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation." Stock-based compensation expense (benefit) for the fiscal years ended March 1, 2003 and March 2, 2002 was determined using the intrinsic method set forth in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Effective March 5, 2006, Rite Aid adopted the provisions of SFAS No. 123(R) "Share Based Payment." Stock-based compensation expense for the thirty-nine week period ended December 2, 2006 was determined using the fair value method set forth in SFAS 123(R).

(3) Effective March 3, 2002 we adopted SFAS No. 142, "Goodwill and Intangible Assets", which specifies that goodwill and indefinite life intangibles shall no longer be amortized. Accordingly, no goodwill amortization expense was recorded for the fiscal years ended March 4, 2006, February 26, 2005, February 28, 2004, and March 1, 2003 and for the thirty-nine week periods ended December 2, 2006 and November 26, 2005.

(4) Total debt included capital lease obligations of $178.2 million, $168.3 million, $183.2 million, $176.2 million, $182.6 million, $177.5 million and $174.7 million as of March 4, 2006, February 26, 2005, February 28, 2004, March 1, 2003, March 2, 2002, December 2, 2006 and November 26, 2005, respectively.

(5) Redeemable preferred stock was included in "Other non-current liabilities" as of March 4, 2006, February 26, 2005, February 28, 2004, December 2, 2006 and November 26, 2005, respectively.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF JEAN COUTU USA

We derived the following financial data of Jean Coutu USA from audited consolidated financial statements of Jean Coutu USA for fiscal years 2002 through 2006 and from unaudited consolidated condensed financial statements for the twenty-six weeks ended November 25, 2006 and November 26, 2005. In the opinion of Jean Coutu USA's management, this unaudited interim period information reflects all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results of operations and financial condition for the twenty-six weeks ended November 25, 2006 and November 26, 2005. Results for the interim periods should not be considered indicative of results for any other periods or for the year.

This information is only a summary. You should read the data set forth in the table below in conjunction with "Jean Coutu USA Management's Discussion and Analysis of Financial Condition and Results of Operation," Jean Coutu USA's audited consolidated financial statements as of May 27, 2006 and May 28, 2005 and for each of the three fiscal years in the period ended May 27, 2006, and the accompanying notes that are contained in our Definitive Proxy Statement, which we filed with the SEC on November 30, 2006 and have incorporated by reference in this prospectus supplement, and unaudited consolidated condensed financial statements and the accompanying notes contained herein.

	Twenty-Six Weeks Ended		Fiscal Year Ended				
	Nov. 25, 2006	Nov. 26, 2005	May 27, 2006 (52 weeks)(5)	May 28, 2005 (52 weeks)(5)	May 29, 2004 (52 weeks)	May 31, 2003 (53 weeks)	May 25, 2002 (52 weeks)(6)
	(Dollars in thousands)						
Summary of Operations:							
Revenues	$ 4,700,311	$ 4,608,402	$ 9,495,858	$ 8,200,445	$ 1,802,585	$ 1,757,035	$ 1,301,720
Costs and expenses:							
Cost of goods sold(1) & (2)	3,559,086	3,468,619	7,172,366	6,227,045	1,371,271	1,339,263	993,221
Selling, general and administration expenses(1)	1,029,187	1,002,314	2,030,766	1,686,458	318,726	311,736	233,489
Depreciation and amortization	104,118	116,084	215,804	184,854	31,148	29,892	22,241
Interest expense	141,416	133,104	274,692	208,648	31,926	34,341	22,614
Foreign currency losses (gains)	(5,440)	1,989	12,670	(18,208)			
Interest income	(4,113)	(2,792)	(5,964)	(1,310)	(85)	(29)	(105)
Total costs and expenses	4,824,254	4,719,318	9,700,334	8,287,487	1,752,986	1,715,203	1,271,460
Income (loss) before income taxes	(123,943)	(110,916)	(204,476)	(87,042)	49,599	41,832	30,260
Income tax expense (benefit)	(49,342)	(42,535)	(76,893)	(32,616)	19,151	16,683	12,558
Net income (loss)	$ (74,601)	$ (68,381)	$ (127,583)	$ (54,426)	$ 30,448	$ 25,149	$ 17,702
Quarter and Year-End Financial Position:							
Working capital(3)	$ 922,106	$ 1,145,179	$ 1,009,563	$ 986,418	$ 209,515	$ 201,759	$ 233,624
Property and equipment, net	1,111,122	1,127,995	1,113,898	1,179,248	307,652	289,396	254,925
Total assets	5,075,123	5,232,983	5,105,925	5,084,895	878,518	812,019	752,387
Total debt(4)	3,128,337	3,063,033	3,118,912	2,803,392	554,022	522,463	509,220
Stockholders' equity	462,153	596,239	536,920	664,671	179,656	149,243	123,910
Other Data:							
Cash flows from operations provided by (used in):							
Operating activities	$ (65,856)	$ (132,822)	$ (15,665)	$ 97,599	$ 24,281	$ 43,879	$ 2,131
Investing activities	(73,859)	(57,170)	(94,868)	(2,650,696)	(47,464)	(57,944)	(280,112)

	Twenty-Six Weeks Ended		Fiscal Year Ended				
Financing activities	62,559	179,730	130,586	2,625,972	31,901	15,871	280,738
Capital expenditures	72,636	58,698	124,064	162,272	42,931	56,176	37,444
Number of retail drugstores	1,859	1,853	1,858	1,922	336	332	331
Number of associates	46,000	49,400	46,266	48,745	8,508	8,297	8,699

(1) Costs of goods sold and SG&A for the fiscal years ended May 31, 2003 and May 25, 2002 have been reclassified to conform to the 2006 fiscal year's presentation of co-op advertising income and advertising expense in SG&A and distribution center costs (excluding depreciation) in costs of goods sold.

(2) Includes last-in, first-out ("LIFO") charges of $38,747 in 2006, $18,456 in 2005, $17,861 in the twenty-six weeks ended November 25, 2006 and $11,147 in the twenty-six weeks ended November 26, 2005. Jean Coutu USA changed from first-in, first-out ("FIFO") to LIFO in fiscal 2005.

(3) Working capital is defined as total current assets less total current liabilities.

(4) Total debt included capital lease obligations of $14,302 as of May 27, 2006, $16,335 as of May 28, 2005, $23,351 as of November 25, 2006 and $11,975 as of November 26, 2005.

(5) Fiscal year ended May 27, 2006 included the operating results of the Eckerd stores for the full 52 week period. Fiscal year ended May 28, 2005 included the operating results of the 1,549 Eckerd stores for the 43 weeks beginning from the date of the acquisition of the Eckerd stores.

(6) Fiscal year ended May 25, 2002 included the acquisition of 80 OSCO stores.

THE PROPOSED ACQUISITION

On August 23, 2006, we entered into the stock purchase agreement with Jean Coutu Group to acquire all of the membership interests of Jean Coutu USA, a wholly-owned subsidiary of Jean Coutu Group and the holding company for the Brooks and Eckerd drugstore chains. Jean Coutu Group will become our largest stockholder, owning approximately 32.0% of our common stock, which will represent approximately 30.2% of the voting power of our outstanding voting securities upon completion of the proposed acquisition. As consideration for the proposed acquisition, we have agreed to issue 250 million shares of our common stock to Jean Coutu Group, pay Jean Coutu Group $1.45 billion in cash (subject to a working capital adjustment) and intend to assume $850 million of the Jean Coutu Notes (with the cash component increasing to $2.3 billion if the Jean Coutu Notes are not assumed).

On December 8, 2006, the Jean Coutu Group filed against the trustee under the Jean Coutu Notes a complaint for declaratory judgment in the United States District Court for the Southern District of New York. Among other things, the complaint seeks a declaratory judgment that the indenture permits Rite Aid's assumption of the Jean Coutu Notes. On December 20, 2006, the holders of the Jean Coutu Notes sought and subsequently were granted permission to intervene in the Action. The holders of the Jean Coutu Notes answered the complaint and filed counterclaims which seek, among other things, a judgment declaring (i) that the proposed acquisition is not a sale of all or substantially all of the Jean Coutu Group's assets and that the substitution of Rite Aid for the Jean Coutu Group as obligor on the Jean Coutu Notes would be a breach of the indenture and an event of default under it; or (ii) a judgment declaring a violation of Section 801 of the indenture for the Jean Coutu Notes if, in connection with the sale of "all or substantially all" of its assets the Jean Coutu Group dissolves guaranteeing subsidiaries that it is not selling rather than requiring those subsidiaries to reaffirm their guarantees. This Action is currently in discovery and briefing for summary judgment is scheduled to close on March 2, 2007 with a hearing on the motion for summary judgment scheduled for March 9, 2007. While we believe that Jean Coutu Group's position has merit, if it is determined that we cannot assume the Jean Coutu Notes, we believe we will be able to fund the remaining cash component of the purchase price via the issuance of new debt, which may be secured and/or unsecured.

We and Jean Coutu Group have each made customary representations, warranties and covenants in the stock purchase agreement, including, among others, Jean Coutu Group's covenant to cause Jean Coutu USA and its subsidiaries to conduct their business in the ordinary course between the execution of the agreement and the closing of the proposed acquisition and to refrain from certain types of transactions during that period. Consummation of the proposed acquisition is subject to customary conditions, including, among others, (i) stockholder approval of the issuance of our common stock to Jean Coutu Group (which occurred on January 18, 2007), (ii) expiration or termination of the applicable antitrust waiting period, (iii) receipt of NYSE listing approval with respect to the shares of our common stock to be issued to Jean Coutu Group, (iv) absence of any law or order prohibiting the consummation of the proposed acquisition, (v) no threatened or pending litigation seeking to limit Rite Aid's ownership or operation of Rite Aid's or Jean Coutu USA's assets and (vi) subject to certain exceptions, the accuracy of the representations and warranties of the parties. Timing of the consummation of the proposed acquisition is dependent upon the timing of the above items.

On September 18, 2006, each of Rite Aid and Jean Coutu Group filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the DOJ and the FTC. On October 18, 2006, each of Rite Aid and Jean Coutu Group received a request for additional information from the FTC regarding the proposed acquisition. We and Jean Coutu Group are and intend to continue to cooperate fully with the FTC in its review of the proposed acquisition under the HSR Act. The proposed acquisition is also subject to similar review by various state regulatory authorities. On January 18, 2007, our stockholders voted to approve the issuance of 250 million shares of our common stock to Jean Coutu Group in connection with the proposed acquisition. Stockholders also approved an amendment to our Restated

Certificate of Incorporation to increase the authorized number of shares of common stock to 1.5 billion, which amendment will be filed and made effective only upon the closing of the proposed acquisition.

In connection with entering into the stock purchase agreement, we, Jean Coutu Group and certain Coutu family members have entered into a stockholder agreement that will become effective upon completion of the proposed acquisition and will govern Jean Coutu Group's ownership interest in us. The stockholder agreement contains provisions relating to board and board committee composition, corporate governance, stock ownership, stock purchase rights, transfer restrictions, voting arrangements and other matters.

Under the stockholder agreement, our board of directors will be expanded to 14 directors, of which, subject to maintenance of ownership thresholds, Jean Coutu Group will designate four director nominees. Robert G. Miller will remain a Rite Aid director but will step down as Chairman of the board and Mary F. Sammons will become Chairman in addition to continuing in her roles as President and CEO. One of Jean Coutu Group's designees to our board, Michel Coutu, will become the Non-Executive Co-Chairman of the board and will serve on the board's executive committee. The terms of both the Chairman and the Non-Executive Co-Chairman will be two years from completion of the proposed acquisition. Our audit, compensation and nominating and governance committees each will be expanded by one member and one of the Jean Coutu Group nominees who qualifies as an independent director will be added to each of the committees. Pierre Legault, currently Executive Vice President of Jean Coutu Group, will become our Senior Executive Vice President and Chief Administrative Officer.

For so long as Jean Coutu Group owns 5% or more of the voting power of Rite Aid securities and for nine months thereafter, Jean Coutu Group may not acquire any additional voting securities of Rite Aid, subject to certain exceptions to allow Jean Coutu Group to maintain its percentage of voting power. For so long as Jean Coutu Group owns 20% or more of the voting power of Rite Aid securities, subject to certain limitations, Jean Coutu Group will have rights to purchase our securities in future Rite Aid issuances or on the open market in order to maintain its percentage of voting power. For so long as Jean Coutu Group owns 5% or more of the voting power of Rite Aid securities and for nine months thereafter, Jean Coutu Group is limited in the manner in which it may sell or transfer its shares of Rite Aid common stock and, subject to certain exceptions, may not transfer shares to someone who, as a result of the transfer, would own more than 5% of the outstanding shares of Rite Aid common stock. For so long as Jean Coutu Group owns more than 25% of the voting power of Rite Aid securities, certain matters, such as increases in the number of authorized shares, significant equity issuances, mergers, significant asset sales and voluntary bankruptcy filings, will require the approval of two-thirds of all of the Rite Aid directors then in office. For five years after completion of the proposed acquisition, Jean Coutu Group is required to vote its shares for each Rite Aid director nominee recommended by the board. Thereafter, Jean Coutu Group will vote its shares for each Rite Aid director nominee it designates and, in its discretion, either for each other Rite Aid director nominee recommended by the board or for each other Rite Aid director nominee recommended by the board and for nominees recommended by other persons in the same proportion as votes cast by all other Rite Aid stockholders for those nominees.

We and Jean Coutu Group also entered into a registration rights agreement giving Jean Coutu Group certain rights with respect to the registration under the Securities Act, of the shares of our common stock to be issued to Jean Coutu Group pursuant to the stock purchase agreement or acquired by Jean Coutu Group pursuant to certain stock purchase rights or open market purchase rights under the stockholder agreement. We and Jean Coutu Group also agreed to enter into a transition services agreement at the closing of the proposed acquisition pursuant to which Jean Coutu Group will provide certain services for a period of time after the closing, including information technology, network and support services.

In connection with the proposed acquisition, we have adopted amended and restated by-laws, subject to and effective upon completion of the proposed acquisition. The amendments provide for the new position of Non-Executive Co-Chairman of the board of directors, update certain provisions to provide for changes in technology and applicable law, address certain administrative matters and amend the provisions relating to notice of stockholder proposals and nominations for election to the board of directors.

Our board of directors has adopted, and our stockholders have approved, subject to the completion of the proposed acquisition and the issuance of our common stock in connection with the proposed acquisition, a resolution recommending that our restated certificate of incorporation be amended to increase the number of authorized shares of our common stock to 1.5 billion shares from 1 billion shares. If the proposed acquisition is not completed, the amendment to the restated certificate of incorporation to increase the authorized number of shares of our common stock will be abandoned and will not become effective.

Sources and Uses of Funds for the Proposed Acquisition

The following table sets forth the estimated sources and uses of funds upon completion of the proposed acquisition, assuming a closing date in the first quarter of fiscal 2008.

Sources		**Amount (in thousands)**	**Uses**		**Amount (in thousands)**
Tranche 2 Term Loan Facility	$	680,000(1)	Cash Portion of Purchase Price	$	1,450,000
			Equity Portion of Purchase Price		1,090,000(4)
Assumption of the Jean Coutu Notes		850,000(2)	Assumption of Debt		850,000
Acquisition Notes		870,000(3)	Estimated fees and expenses		100,000
Equity Consideration		1,090,000(4)			
Total	**$**	**3,490,000**	**Total**	**$**	**3,490,000**

(1) Does not include approximately $228 million of the amount remaining under the Tranche 2 Term Loan Facility that we may draw on or after the Post-Closing Filing.

(2) If we do not assume the Jean Coutu Notes, the cash component of our funding for the proposed acquisition will increase by $850 million.

(3) Pursuant to a commitment letter we entered into with Citigroup Global Markets Inc. ("Citigroup") and Citicorp North America, Inc. ("CNAI"), CNAI agreed to provide us up to a $1.720 billion senior secured bridge facility. The bridge facility is available if we are unable to sell the full amount of notes contemplated by the commitment letter and/or to assume all of the Jean Coutu Notes.

(4) Based on the issuance of 250 million shares of our common stock with a market value of $1.09 billion based on a stock price of $4.36 per share, representing the average closing price of our common stock beginning two days prior to the announcement of the Jean Coutu Acquisition on August 24, 2006 and ending two days after the announcement. The closing price of our common stock on February 8, 2007 was $6.33.

Closing of this transactions is not conditioned upon closing of the proposed acquisition. Closing of an offering of Acquisition Notes is expected to occur concurrently with, and to be conditioned upon, the proposed acquisition. We can provide no assurance that we will not alter the financing structure of the proposed acquisition described herein. See "Description of Other Indebtedness Financing Related to the Proposed Acquisition" for a more detailed discussion of the financing for the proposed acquisition. We are not offering the Acquisition Notes pursuant to this prospectus supplement.

RISK FACTORS

An investment in the notes involves a number of risks. You should consider carefully the following information about these risks, together with the other information included and incorporated by reference in this prospectus supplement, before buying the notes and related guarantees offered hereby. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below will not occur. If they do, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of our securities could decline, and you might lose all or part of your investment.

Risks Related to Our Financial Condition

We are highly leveraged. Our substantial indebtedness could limit cash flow available for our operations and could adversely affect our ability to service debt or obtain additional financing if necessary.

We had, as of December 2, 2006, approximately $3.15 billion of outstanding indebtedness and stockholders' equity of approximately $1.63 billion. We also had additional borrowing capacity under our existing $1.75 billion senior secured revolving credit facility of approximately $757.9 million at that time, net of outstanding letters of credit of $117.1 million. As of December 2, 2006, we would have approximately $3.18 billion of outstanding indebtedness and approximately $1.62 billion of stockholders' equity, giving pro forma effect to this offering and the application of the proceeds thereof. As of December 2, 2006, we would have approximately $5.64 billion of outstanding indebtedness and $2.70 billion of stockholders' equity, giving pro forma effect to the proposed acquisition (taking into account this offering and the application of the proceeds thereof). Our debt obligations adversely affect our operations in a number of ways and while we believe we have adequate sources of liquidity to meet our anticipated requirements for working capital, debt service and capital expenditures through fiscal year 2007, there can be no assurance that our cash flow from operations will be sufficient to service our debt, which may require us to borrow additional funds for that purpose, restructure or otherwise refinance our debt. Our earnings were insufficient to cover fixed charges for fiscal 2006 and fiscal 2004 by $23.1 million and $2.6 million, respectively. Our ratio of earnings to fixed charges for fiscal 2005 was 1.15.

Our high level of indebtedness will continue to restrict our operations. Among other things, our indebtedness will:

- limit our ability to obtain additional financing;
- limit our flexibility in planning for, or reacting to, changes in the markets in which we compete;
- place us at a competitive disadvantage relative to our competitors with less indebtedness;
- render us more vulnerable to general adverse economic, regulatory and industry conditions; and
- require us to dedicate a substantial portion of our cash flow to service our debt.

Following the completion of this offering as well as after the proposed acquisition, our ability to meet our cash requirements, including our debt service obligations, will be dependent upon our ability to substantially improve our operating performance, which will be subject to general economic and competitive conditions and to financial, business and other factors affecting our operations, many of which are or may be beyond our control. In addition, some of our debt service obligations, as well as some of the debt that we intend to incur to finance the proposed acquisition, have interest payments that are subject to variable interest rates and are therefore dependent upon future interest rates which are beyond our control. We cannot provide assurance that our business will generate sufficient cash flows from operations to fund our cash requirements and debt service obligations. If our operating results, cash flow or capital resources prove inadequate, or if interest rates increase significantly, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt and other obligations. If we are unable to service our debt, we could be forced to reduce or delay planned expansions and capital expenditures, sell assets, restructure or refinance our debt or seek additional equity capital, and we may be unable to take any of these actions on satisfactory terms or in a timely manner. Further, any of these actions may not be sufficient to allow us to service our debt obligations or may have an adverse impact on our business. Our existing debt agreements limit our ability to take certain of these actions. Our failure to generate sufficient operating cash flow to pay our debts or to successfully undertake any of these actions could have a material adverse effect on us.

Borrowings under our existing and new credit facilities and expenses related to the sale of our accounts receivable under our receivables securitization agreements are based upon variable rates of interest, which could result in higher expense in the event of increases in interest rates.

Approximately $1.02 billion of our outstanding indebtedness as of December 2, 2006 bears an interest rate that varies depending upon the London Interbank Offered Rate ("LIBOR"). Approximately $541.1 million of our indebtedness (not including amounts under our receivables program or amounts intended to be drawn on our existing senior secured credit facility on or after the Post-Closing Filing) would bear interest at a rate that varies depending on LIBOR, giving pro forma effect to this offering and the application of the proceeds thereof and the proposed acquisition (taking into account this offering and the application of the proceeds thereof). Further, we pay ongoing program fees under our receivables securitization agreements that vary depending upon LIBOR. If LIBOR rises, the interest rates on outstanding debt and the program fees under our receivables securitization program will increase. Therefore an increase in LIBOR would increase our interest payment obligations under these loans, increase our receivables securitization program fee payments and have a negative effect on our cash flow and financial condition. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest.

The covenants in our current indebtedness and the indebtedness to be incurred in this offering and in connection with the proposed acquisition impose restrictions that may limit our operating and financial flexibility.

The covenants in the instruments that govern our current indebtedness and the indebtedness to be incurred in this offering and in connection with the proposed acquisition limit our ability to:

- incur liens and debt;
- pay dividends;
- make redemptions and repurchases of capital stock;
- make loans and investments;
- prepay, redeem or repurchase debt;
- engage in acquisitions, consolidations, assets dispositions, sale-leaseback transactions and affiliate transactions;
- change our business;
- amend some of our debt and other material agreements;
- issue and sell capital stock of subsidiaries;
- restrict distributions from subsidiaries; and

grant negative pledges to other creditors.

In addition, if we have less than $100.0 million of revolver availability under our senior secured credit facility, we will be subject to a fixed charge coverage ratio maintenance test. If we are unable to meet the terms of this financial covenant or if we breach any of these covenants, a default could result under one or more of these agreements. A default, if not waived by our lenders, could result in the acceleration of our outstanding indebtedness and cause our debt to become immediately due and payable. If acceleration occurs, we would not be able to repay our debt and it is unlikely that we would be able to borrow sufficient additional funds to refinance such debt. Even if new financing is made available to us, it may not be available on terms acceptable to us. If we obtain modifications of our agreements, or are required to obtain waivers of defaults, we may incur significant fees and transaction costs.

Risks Related to Our Operations

We need to continue to improve our operations in order to improve our financial condition, but our operations will not improve if we cannot continue to effectively implement our business strategy or if our strategy is negatively affected by general economic conditions.

We and Jean Coutu USA have not yet achieved the sales productivity level of our major competitors. We believe that improving the sales of existing stores is important to improving profitability and operating cash flow. If we are not successful in implementing our strategy, or if our strategy is not effective, we may not be able to improve our operations. In addition, any adverse change in general economic conditions or major industries can adversely affect drug benefit plans and reduce our pharmacy sales or can adversely affect consumer buying practices and reduce our sales of front-end products and cause a decrease in our profitability. Failure to continue to improve operations, or a decline in major industries or general economic conditions, would adversely affect our results of operations, financial condition and cash flows and our ability to make principal or interest payments on our debt.

Our new store and store relocation development program requires entering construction and development commitments and occasionally purchasing land that will not be utilized for several years which may limit our financial flexibility.

We will enter into significant construction and development commitments as part of our new store and store relocation development program. Also, we will occasionally make capital expenditures to acquire land that may not be used for several years. Even if there are significant negative economic or competitive developments in our industry, financial condition or the regions where we have made these commitments, we are obligated to fulfill these commitments. Further, if we subsequently dispose of the property that we acquire, we may receive less than our purchase price or the net book value of such property, which may result in financial loss.

We are dependent on our management team, and the loss of their services could have a material adverse effect on our business and the results of our operations or financial condition.

The success of our business is materially dependent upon the continued services of our executive management team. The loss of key personnel could have a material adverse effect on the results of our operations, financial condition or cash flows. Additionally, we cannot assure you that we will be able to attract or retain other skilled personnel in the future.

We are substantially dependent on a single supplier of pharmaceutical products to sell products to us on satisfactory terms. A disruption in this relationship may have a negative effect on our results of operations, financial condition and cash flow.

During fiscal 2006, we obtained approximately 94% of the dollar value of our prescription drugs from a single supplier, McKesson Corporation ("McKesson"), pursuant to a contract that runs through March 2009. Pharmacy sales represented approximately 63.2% of our total sales during fiscal 2006, or approximately 67% pro forma for the completion of the proposed acquisition, and, therefore, our relationship with McKesson is important to us. Any significant disruptions in our relationship with McKesson would make it difficult for us to continue to operate our business until we executed a replacement strategy. There can be no assurance that we would be able to find a replacement supplier on a timely basis or that such supplier would be able to fulfill our demands on similar terms, which would have a material adverse effect on our results of operations, financial condition and cash flows.

Risks Related to Our Industry

The markets in which we operate are very competitive and further increases in competition could adversely affect us.

We face intense competition with local, regional and national companies, including other drugstore chains, independently owned drugstores, supermarkets, mass merchandisers, discount stores, dollar stores and mail order pharmacies. Our industry also faces growing competition from companies who import drugs directly from other countries, such as Canada, as well as from large-scale retailers that offer generic drugs at a substantial discount. The partnership of some of our competitors with pharmaceutical services companies further increases competition. We may not be able to effectively compete against them because our existing or potential competitors may have financial and other resources that are superior to ours. In addition, we may be at a competitive disadvantage because we are more highly leveraged than our competitors. The ability of our stores to achieve profitability depends on their ability to achieve a critical mass of customers. We believe that the continued consolidation of the drugstore industry will further increase competitive pressures in the industry. As competition increases, a significant increase in general pricing pressures could occur, which would require us to increase our sales volume and to sell higher margin products and services in order to remain competitive. We cannot assure you that we will be able to continue effectively to compete in our markets or increase our sales volume in response to further increased competition.

Drug benefit plan sponsors and third party payors could change their plan eligibility criteria and further encourage or require the use of mail-order prescriptions which could decrease our sales and reduce our margins and have a material adverse effect on our business.

An adverse trend for drugstore retailing has been initiatives to contain rising healthcare costs leading to the rapid growth in mail-order prescription processors. These prescription distribution methods have grown in market share relative to drugstores as a result of the rapid rise in drug costs experienced in recent years and are predicted to continue to rise. Mail-order prescription distribution methods are perceived by employers and insurers as being less costly than traditional distribution methods and are being encouraged, and, in some cases, required, by third party pharmacy benefit managers, employers and unions that administer benefits. As a result, some labor unions and employers are requiring, and others may encourage or require, that their members or employees obtain medications from mail-order pharmacies which offer drug prescriptions at prices lower than we are able to offer.

Another adverse trend for drugstore retailing has been for drug benefit plan sponsors and third party payors to change their plan eligibility requirements resulting in fewer beneficiaries covered and a reduction in the number of prescriptions allowed.

Mail-order prescription distribution and drug benefit plan eligibility changes have negatively affected sales for traditional chain drug retailers, including us, in the last few years and we expect such negative effect to continue in the future. There can be no assurance that our efforts to offset the effects of mail order and eligibility changes will be successful.

The availability of pharmacy drugs is subject to governmental regulations.

The continued conversion of various prescription drugs to over-the-counter medications may reduce our pharmacy sales and customers may seek to purchase such medications at non-pharmacy stores. Also, if the rate at which new prescription drugs become available slows or if new prescription drugs that are introduced into the market fail to achieve popularity, our pharmacy sales may be adversely affected. The withdrawal of certain drugs from the market or concerns about the safety or effectiveness of certain drugs or negative publicity surrounding certain categories of drugs may also have a negative effect on our pharmacy sales or may cause shifts in our pharmacy or front-end product mix. For example, growth in late 2004 and 2005 was slowed by the negative publicity surrounding certain arthritis medications and other high-volume drugs, which adversely affected pharmacy sales.

Changes in third party reimbursement levels for prescription drugs could reduce our margins and have a material adverse effect on our business.

Sales of prescription drugs, as a percentage of sales, and the percentage of prescription sales reimbursed by third parties, have been increasing and we expect them to continue to increase. In fiscal 2006, sales of prescription drugs represented 63.2% of our sales, and pro forma for the proposed acquisition, approximately 67% of our sales as a combined company. In fiscal 2006, 93.9% of all of the prescription drugs that we sold were with third party payors, and pro forma for the proposed acquisition, 94.6% of all of the prescription drugs that we sold on a combined company basis were with third party payors. During fiscal 2006, the top five third-party payors accounted for approximately 31.0% of our total sales, the largest of which represented 8.9% of our total sales. Pro forma for the proposed acquisition, in fiscal 2006, the top five third-party payors accounted for approximately 29.6% of our total sales as a combined company, the largest of which represented 9.5% of our total sales as a combined company. In fiscal 2006, approximately 11.4% of our revenues were from state sponsored Medicaid agencies, the largest of which was less than 3% of our total sales, and pro forma for the proposed acquisition, approximately 10.8% of our revenues as a combined company were from state sponsored Medicaid agencies, the largest of which was less than 3% of our total sales as a combined company. Beginning January 2006, a significant amount of our Medicaid related prescriptions moved to coverage under the new Medicare Part D plans. After considering this shift in payor, we expect Medicaid related sales to represent approximately 8% of total sales in fiscal 2007. Any significant loss of third-party payor business could have a material adverse effect on our business and results of operations.

Third party payors could reduce the levels at which they will reimburse us for the prescription drugs that we provide to their members. Furthermore, the Medicare Part D program, which went into effect January 1, 2006, has reimbursement levels that are lower than the previous level of reimbursement. There have been a number of recent proposals and enactments by the Federal government and various states to reduce Medicaid reimbursement levels in response to budget problems, some of which propose to reduce reimbursement levels in the applicable states significantly, and we expect other similar proposals in the future. If third party payors reduce their reimbursement levels or if Medicare or state Medicaid programs cover prescription drugs at lower reimbursement levels, our margins on these sales would be reduced, and the profitability of our business and our results of operations, financial condition or cash flows could be adversely affected.

We are subject to governmental regulations, procedures and requirements; our noncompliance or a significant regulatory change could adversely affect our business, the results of our operations or our financial condition.

Our pharmacy business is subject to federal, state and local government laws and regulation. These include local registrations of pharmacies in the states where our pharmacies are located, applicable Medicare and Medicaid regulations and prohibitions against paid referrals of patients. Failure to properly adhere to these and other applicable regulations could result in the imposition of civil and criminal penalties including suspension of payments from government programs; loss of required government certifications; loss of authorizations to participate in or exclusion from government reimbursement programs, such as the Medicare and Medicaid programs; loss of licenses; significant fines or monetary penalties for anti-kickback law violations, submission of false claims or other failures to meet reimbursement program requirements and could adversely affect the continued operation of our business.

Our pharmacy business is subject to the patient privacy and other obligations including corporate, pharmacy and associate responsibility, imposed by the Health Insurance Portability and Accountability Act. As a covered entity, we are required to implement privacy standards, train our associates on the permitted use and disclosures of protected health information, provide a notice of privacy practice to our pharmacy customers and permit pharmacy health customers to access and amend their records and receive an accounting of disclosures of protected health information. Failure to properly adhere to these requirements could result in the imposition of civil as well as criminal penalties.

Federal and state reform programs, such as healthcare reform and enforcement initiatives of federal and state governments may also affect our pharmacy business. These initiatives include:

- proposals designed to significantly reduce spending on Medicare, Medicaid and other government programs;
- changes in programs providing for reimbursement for the cost of prescription drugs by third party plans;
- the Medicare Modernization Act;
- increased scrutiny of, and litigation relating to, prescription drug manufacturers' pricing and marketing practices; and
- regulatory changes relating to the approval process for prescription drugs.

These initiatives could lead to the enactment of, or changes to, federal regulations and state regulations that could adversely impact our prescription drug sales and, accordingly, our results of operations, financial condition or cash flows. It is uncertain at this time what additional healthcare reform initiatives, if any, will be implemented, or whether there will be other changes in the administration of governmental healthcare programs or interpretations of governmental policies or other changes affecting the healthcare system. Future healthcare or budget legislation or other changes, including those referenced above, may materially adversely impact our pharmacy sales.

Certain risks are inherent in providing pharmacy services; our insurance may not be adequate to cover any claims against us.

Pharmacies are exposed to risks inherent in the packaging and distribution of pharmaceuticals and other healthcare products, such as with respect to improper filling of prescriptions, labeling of prescriptions, adequacy of warnings and unintentional distribution of counterfeit drugs. In addition, federal and state laws that require our pharmacists to offer counseling, without additional charge, to their customers about medication, dosage, delivery systems, common side effects and other information the pharmacists deem significant can impact our business. Our pharmacists may also have a duty to warn customers regarding any potential negative effects of a prescription drug if the warning could reduce or negate these effects. Although we maintain professional liability and errors and omissions liability insurance, from time to time, claims result in the payment of significant amounts, some portions of which are not funded by insurance. We cannot assure you that the coverage limits under our insurance programs will be adequate to protect us against future claims, or that we will be able to maintain this insurance on acceptable terms in the future. Our results of operations, financial condition or cash flows may be adversely affected if in the future our insurance coverage proves to be inadequate or unavailable or there is an increase in liability for which we self-insure or we suffer reputational harm as a result of an error or omission.

We will not be able to compete effectively if we are unable to attract, hire and retain qualified pharmacists.

There is a nationwide shortage of qualified pharmacists. However, we may not be able to attract, hire and retain enough qualified pharmacists. This could adversely affect our operations.

We may be subject to significant liability should the consumption of any of our products cause injury, illness or death.

Products that we sell could become subject to contamination, product tampering, mislabeling or other damage requiring us to recall our private label products. In addition, errors in the dispensing and packaging of pharmaceuticals could lead to serious injury or death. Product liability claims may be asserted against us with respect to any of the products or pharmaceuticals we sell and we may be obligated to recall our private brand products. A product liability judgment against us or a product recall could have a material adverse effect on our business, financial condition or results of operations.

Risks Related to the Proposed Acquisition

The proposed acquisition is subject to certain closing conditions that may not be satisfied or waived, as well as the receipt of consents and approvals from government entities that may not be received or that may impose conditions that could have an adverse effect on us following the completion of the proposed acquisition. Failure to consummate the proposed acquisition could have a material adverse effect on us.

To the extent that the parties fail to consummate the proposed acquisition, the costs and expenses of the failed acquisition, together with the failure to achieve the anticipated benefits and the distraction of our management's efforts, could materially and adversely affect our business, results of operations and financial condition. The stock purchase agreement we entered into with Jean Coutu Group contains numerous conditions to closing, the satisfaction or waiver of which are required to consummate the proposed acquisition. These conditions include, among others, the accuracy of our and Jean Coutu Group's respective representations and warranties in the stock purchase agreement as of the date of the stock purchase agreement and as of the closing date of the proposed acquisition, other than those failures to be accurate that have not had or would not reasonably be expected to have, in the aggregate, a material adverse effect on us or Jean Coutu USA, respectively, as well as the performance in all material respects by us and Jean Coutu Group of our and its respective obligations under the stock purchase agreement required to be performed by us or it at or prior to the closing date of the proposed acquisition. There can be no assurance that the conditions required to consummate the proposed acquisition will be satisfied or waived. Further, as described elsewhere herein, we may not be able to assume the Jean Coutu Notes, which we intend to assume as part of the consideration for the proposed acquisition, and therefore it may be necessary to obtain additional financing to fund the proposed acquisition. Such additional financing may not be available at interest rates or on terms as favorable as the interest rates or terms of the Jean Coutu Notes.

In addition, we cannot complete the proposed acquisition unless we receive various consents, orders, approvals and clearances from antitrust and other authorities in the United States. While we believe that we will receive the requisite regulatory approvals from these authorities, there can be no assurance of this. These authorities may also impose conditions on the completion of the proposed acquisition or require changes to the terms of the proposed acquisition. For example, the authorities may require divestiture of certain assets as a condition to the closing of the proposed acquisition. We are not obligated to agree to divest assets in order to obtain regulatory approval of the proposed acquisition if such divestiture would be materially adverse to Rite Aid and its subsidiaries taken as a whole or would materially impair the overall benefits expected, as of the date the stock purchase agreement was executed, to be realized from the proposed acquisition. However, pursuant to the stock purchase agreement, we have agreed that any proposed divestiture or release of assets representing, or the imposition of conditions affecting, store-level Adjusted EBITDA (as defined in the stock purchase agreement) of up to an aggregate of $60 million before advertising and corporate administration expenses, for the most recently completed fiscal year, is not materially adverse to Rite Aid and its subsidiaries taken as a whole and would not materially impair the overall benefits expected to be realized from the proposed acquisition. There can be no assurance that any such conditions or changes will not be imposed, and such conditions or changes could have the effect of delaying completion of the proposed acquisition or imposing additional costs on or limiting our revenues following the proposed acquisition, any of which may have an adverse effect on us following the proposed acquisition.

If the proposed acquisition is not consummated for any reason, we will have incurred substantial expenses without realizing the anticipated benefits of the proposed acquisition, including anticipated net reductions in costs and expenses as well as other benefits and synergies. We have incurred substantial legal, accounting and financial advisory fees and our management has devoted considerable time and effort in connection with the proposed acquisition. The failure to realize the expected benefits of the proposed acquisition may result in a material adverse effect on our business, results of operations, and financial condition.

Although we expect that the proposed acquisition will result in benefits to us, we may not realize those benefits because of integration difficulties.

Integrating the operations of the Brooks and Eckerd drugstore chains successfully or otherwise realizing any of the anticipated benefits of the proposed acquisition, including anticipated cost savings and additional revenue opportunities, involve a number of potential challenges. The failure to meet these integration challenges could seriously harm our results of operations.

Realizing the benefits of the proposed acquisition will depend in part on the integration of information technology, operations and personnel. These integration activities are complex and time-consuming and we may encounter unexpected difficulties or incur unexpected costs, including:

- diversion of management attention from ongoing business concerns to integration matters;
- difficulties in consolidating and rationalizing information technology platforms and administrative infrastructures;
- difficulties in integrating the Brooks and Eckerd store operations to serve the combined customer base of Rite Aid and the Brooks and Eckerd drugstore chains;
- difficulties in combining corporate cultures, maintaining employee morale and retaining key employees; and
- challenges in demonstrating to customers of Rite Aid and to customers of the Brooks and Eckerd drugstore chains that the proposed acquisition will not result in adverse changes in customer service standards or business focus.

Moreover, the Brooks and Eckerd chains are not fully integrated with one another and in many instances operate using different systems. As a result, following the proposed acquisition, we will be undertaking to integrate not one but two drugstore chains into our operations. Complications in integrating these two drugstore chains could increase our integration costs and make it more difficult to achieve a successful integration following the proposed acquisition.

We may not successfully integrate the operations of the Brooks and Eckerd drugstore chains in a timely manner, and we may not realize the anticipated net reductions in costs and expenses and other benefits and synergies of the proposed acquisition to the extent, or in the timeframe, anticipated. In addition to the integration risks discussed above, our ability to realize these net reductions in costs and expenses and other benefits and synergies could be adversely impacted by practical or legal constraints on our ability to combine operations.

Following the completion of the proposed acquisition, for so long as Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) maintain certain levels of Rite Aid stock ownership, Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) will exercise significant influence over us.

When the proposed acquisition is completed, Jean Coutu Group will own approximately 30.2% of the voting power of Rite Aid. As a result, Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) generally will have the ability to significantly influence the outcome of any matter submitted for the vote of our stockholders. The stockholder agreement provides that Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) will designate four director nominees of the fourteen members of our board of directors, subject to adjustment based on its ownership position in us. Accordingly, Jean Coutu Group generally will be able to significantly influence the outcome of all matters that come before our board of directors. As a result of its significant interest in us, Jean Coutu Group may have the power, subject to applicable law (including the fiduciary duties of the directors designated by Jean Coutu Group), to significantly influence actions that might be favorable to Jean Coutu Group, but not necessarily favorable to our results of operations, business or financial condition.

The announcement and pendency of the proposed acquisition may cause disruptions in the business of the Brooks and Eckerd drugstore chains, which could have an adverse effect on their business, financial condition or results of operations and, post-closing, our business, financial condition or results of operations.

The announcement and pendency of the proposed acquisition could cause disruptions of the business of the Brooks and Eckerd drugstore chains. Specifically:

- current and prospective employees of the Brooks and Eckerd drugstore chains may experience uncertainty about their future roles with Rite Aid, which might adversely affect the ability of the Brooks and Eckerd drugstore chains to attract and retain key personnel;

- current and prospective customers of the Brooks and Eckerd drugstore chains may experience uncertainty about the ability of the Brooks and Eckerd stores to meet their needs, which might cause customers to make purchases or fill their prescriptions elsewhere.

These disruptions could be exacerbated by a delay in the completion of the proposed acquisition and could have an adverse effect on the business, financial condition or results of operations of the Brooks and Eckerd drugstore chains prior to the completion of the proposed acquisition and on us following the completion of the proposed acquisition.

Conflicts of interest may arise between us and Jean Coutu Group, which may be resolved in a manner that adversely affects our business, financial condition or results of operations.

After the completion of the proposed acquisition, Jean Coutu Group will continue its Canadian operations but will no longer have any operations in the United States; we currently have no operations in Canada. Despite the lack of geographic overlap after the proposed acquisition, conflicts of interest may arise between us and Jean Coutu Group in areas relating to past, ongoing and future relationships, including corporate opportunities, potential acquisitions or financing transactions, sales or other dispositions by Jean Coutu Group of its interests in us and the exercise by Jean Coutu Group of its influence over our management and affairs.

After the completion of the proposed acquisition, a number of the directors on our board of directors will be persons who are also officers or directors of Jean Coutu Group or its subsidiaries. Service as a director or officer of both Rite Aid and Jean Coutu Group or its other subsidiaries could create conflicts of interest if such directors or officers are faced with decisions that could have materially different implications for Rite Aid and for Jean Coutu Group. Apart from a conflicts of interest policy contained in our Code of Ethics and Business Conduct and applicable to our directors, we and Jean Coutu Group have not established any formal procedures to resolve potential or actual conflicts of interest between us. There can be no assurance that any of the foregoing conflicts will be resolved in a manner that does not adversely affect our business, financial condition or results of operations.

Following the completion of the proposed acquisition, we will be dependent on Jean Coutu Group for certain transitional services pursuant to a transition services agreement. The failure of Jean Coutu Group to perform its obligations under the transition services agreement could adversely affect our business, financial condition or results of operations.

Our ability to effectively monitor and control the operations of the Brooks and Eckerd drugstore chains we acquire in the proposed acquisition depends to a large extent on the proper functioning of our information technology and business support systems. Following the completion of the proposed acquisition, we will be initially dependent upon Jean Coutu Group to continue to provide certain information technology, network and support services to Jean Coutu USA for a period of time after the completion of the proposed acquisition to facilitate the transition of the Brooks and Eckerd drugstore chains. The terms of these arrangements will be governed by a transition services agreement to be entered into as of the closing of the proposed acquisition. We and Jean Coutu Group are obligated to negotiate in good faith the transition services agreement. If, however, we fail to reach a satisfactory agreement with respect to certain services or Jean Coutu Group fails to perform its obligations under the transition services agreement, we may not be able to perform such services ourselves or obtain such services from third parties at all or on terms favorable to us. In addition, upon termination of the transition services agreement, if we are unable to develop the necessary systems, resources and controls necessary to allow us to provide the services currently being provided by Jean Coutu Group or to obtain such services from third parties, it could adversely affect our business, financial condition or results of operations.

Risks Related to the Notes

The guarantees of the secured notes will be subordinated to the guarantees of our first priority debt, including our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, and the guarantees of the secured notes will be secured only to the extent that the first priority debt is oversecured; the terms of the secured notes permit, without the consent of holders of secured notes, various releases of the collateral securing the secured notes and subsidiary guarantees as well as various amendments to the priority collateral documents that could be adverse to holders of secured notes.

Subject to some limitations, our obligations under the secured notes will be guaranteed, subject to certain limitations, by all the Rite Aid Subsidiary Guarantors and, following the closing of the proposed acquisition, to the extent permitted by our secured credit facility, the Jean Coutu Guarantors. These guarantees will, however, be subordinated to the guarantees of our first priority debt, including our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility. The collateral that secures the guarantees of the secured notes on a second priority basis will also secure the guarantees of certain existing and future indebtedness, including our existing senior secured credit facility and, upon completion of the proposed acquisition and following the Post-Closing Filing, the Tranche 2 Term Loan Facility, on a first priority basis, and the guarantees of the 8.125% Notes, the 9.5% Notes (until redeemed), the 7.5% Notes and possible additional future indebtedness on a second priority basis. Any rights to payment and claims by the holders of the secured notes will therefore be fully subordinated to any rights to payment or claims by our creditors under our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, with respect to distributions of collateral. In addition, other second priority debt will be *pari passu* in right of payment and entitled to share equally and ratably in the collateral securing the secured notes. Further, such other second priority debt may require the proceeds of collateral dispositions to be allocated to prepay, repurchase or provide for the prepayment or repurchase of other second priority debt when no such prepayment, repurchase or provision is required with respect to the secured notes.

Only when our obligations under our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, and any other first priority debt are satisfied in full will the proceeds of such collateral be available, subject to other permitted liens, to satisfy obligations under guarantees of the secured notes and the other debt secured by the shared second priority lien. Even if the proceeds from the sale or liquidation of such collateral are sufficient to satisfy our obligations under our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, and any additional first priority debt, if the amount of such remaining proceeds is less than the aggregate outstanding principal amount of debt secured by the shared second priority liens, we may be unable to fully satisfy our obligations under the guarantees of the secured notes. As a result, our obligations that are secured, subject to permitted liens, by the shared second priority liens on the Rite Aid Collateral and, to the extent permitted by our credit facilities, following the proposed acquisition or, if not permitted earlier, following the Post-Closing Filing, the Jean Coutu Collateral are secured only to the extent that (i) our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, and other first priority debt is oversecured, and (ii) the oversecured amount is sufficient, subject to other permitted liens, to secure the secured notes, the 8.125% Notes, the 9.5% Notes (until redeemed), the 7.5% Notes and any other second priority debt. Pursuant to the indentures governing the senior secured notes, the 9.5% Notes (until redeemed), the 8.125% Notes, and the 7.5% Notes and the second priority collateral documents, substantial additional debt may share the second priority liens securing the subsidiary guarantees of the secured notes without the consent of holders of secured notes. Additionally, the guarantees of the Tranche 2 Term Loan Facility issued by the subsidiaries we acquire in the proposed acquisition will initially be secured by, and the guarantees of the acquired subsidiaries of the Acquisition Notes will be secured by, pledges of the stock of the subsidiaries we acquire. If we are unable to obtain amendments to our credit facilities, the secured notes will be structurally subordinated to all obligations of the Jean Coutu Subsidiary Guarantors until the Post-Closing Filing. The secured notes will have no security interest in the collateral securing the Tranche 2 Term Loan Facility (prior to the Post-Closing Filing) or the Acquisition Notes.

The lenders under the first priority debt, including our existing senior secured credit facility and, following the Post-Closing Filing, the Tranche 2 Term Loan Facility, will, at all times, control all remedies or other actions related to the Collateral. In addition, if the lenders under the first priority debt release the liens securing the obligations under the first priority debt, then, under the terms of the indenture governing the secured notes, the holders of the secured notes will be deemed to have given approval for the release of the liens securing the secured notes, subject to certain limitations. All Collateral used, sold, transferred or otherwise disposed of in accordance with the terms of the second priority debt will automatically be released from the lien securing the subsidiary guarantees of the secured notes. Accordingly, any such sale, transfer or disposition in a transaction that does not violate the asset disposition covenant in the indenture governing the secured notes may result in a release of Collateral. Because the asset disposition covenant of the indenture governing the secured notes does not restrict transfers of assets by our subsidiaries to us, any transfer of Collateral to us could result in such assets ceasing to constitute Collateral. The liens securing guarantees of the secured notes may also be released pursuant to instructions by representatives of a majority of the second priority debt obligations, unless the release involves all or substantially all the Collateral, in which case release shall require the consent of the holders of secured notes. The secured notes offered hereby do not and in the future may not represent a majority of the second priority debt obligations. Accordingly, substantial collateral may be released automatically without consent of the holders of the secured notes or the trustee under the indenture governing the secured notes. In addition, if the lenders under the first priority debt release any of the subsidiary guarantors securing the obligations under the first priority debt, then the holders of the secured notes will be deemed to have given approval for such release of any such subsidiary guarantor from its obligations under the subsidiary guarantee, subject to certain limitations. The second priority collateral documents may be amended with the consent of holders representing a majority of the second priority debt obligations. In addition, the terms of the secured notes permit various other releases of collateral and subsidiary guarantees as well as various amendments to the second priority collateral documents that could be adverse to holders of secured notes without the consent of holders of secured notes. See "Description of Secured Notes" and "Description of Collateral and Intercreditor Arrangements."

If the guarantees of the secured notes and the liens that secure these guarantees are held to be invalid or unenforceable or are limited by fraudulent conveyance or other laws, the secured notes would be unsecured and structurally subordinated to the debt of our subsidiaries.

We are a holding company with no direct operations. Our principal assets are the equity interests we hold in our operating subsidiaries. As a result, we are dependent upon dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations, including the payment of principal of and interest on our outstanding debt. Our subsidiaries are legally distinct from us and have no obligation to pay amounts due on our debt or to make funds available to us for such payment. Accordingly, our debt that is not guaranteed by our subsidiaries is structurally subordinated to the debt and other liabilities of our subsidiaries.

Our creditors or the creditors of the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors could challenge the guarantees of the secured notes and the liens securing the notes as fraudulent conveyances or on other grounds. The delivery of these guarantees or the grant of these liens could be found to be a fraudulent conveyance and declared void if a court determined that: the subsidiary delivered the guarantee or granted a lien with the intent to hinder, delay or defraud its existing or future creditors; the Rite Aid Subsidiary Guarantor or Jean Coutu Subsidiary Guarantor did not receive fair consideration for the delivery of the guarantee or the grant of the liens; or the Rite Aid Subsidiary Guarantor or Jean Coutu Subsidiary Guarantor was insolvent at the time it delivered the guarantee or granted a lien. We cannot assure you that a court would not reach one of these conclusions. In the event that a court declares these guarantees or liens to be void, or in the event that the guarantees or liens must be limited or voided in accordance with their terms, any claim you may make against us for amounts payable on the secured notes would be effectively subordinated to the obligations of our subsidiaries, including trade payables and other liabilities that constitute indebtedness. Additionally, if we are unable to obtain amendments to our credit facilities, the secured notes will be substantially subordinated to all obligations of the Jean Coutu Subsidiary Guarantors until the Post-Closing Filing.

The unsecured notes will be effectively subordinated to our secured debt and the liabilities of our subsidiaries, and if a default occurs, we may not have sufficient funds to satisfy our obligations under the unsecured notes.

The unsecured notes will be our general unsecured, unsubordinated obligations that rank equal in right of payment with all of our existing and future unsecured, unsubordinated debt. The unsecured notes will be effectively subordinate to all of our secured debt with respect to the right to be satisfied from the assets that secure such secured debt as collateral. Also, the unsecured notes will be structurally subordinated to all obligations of our subsidiaries unless and until any such subsidiaries guarantee the unsecured notes. As of December 2, 2006, the total outstanding debt of us and our subsidiaries was approximately $3.15 billion and would have been approximately $3.18 billion and $5.64 billion, respectively, giving pro forma effect to this offering and the application of the proceeds thereof and the proposed acquisition (taking into account this offering and the application of the proceeds thereof), respectively. As of December 2, 2006, the total outstanding debt of us and our subsidiaries that would be effectively senior to the unsecured notes was approximately $1.88 billion and would have been approximately $1.60 billion and $3.15 billion, respectively, giving pro forma effect to this offering and the application of the proceeds thereof and the proposed acquisition (taking into account this offering and the application of the proceeds thereof), respectively.

Holders of the unsecured notes will be creditors of Rite Aid Corporation and not our subsidiaries. The ability of our creditors, including you, to participate in any distribution of assets of any of our subsidiaries upon liquidation or bankruptcy will be subject to the prior claims of that subsidiary's creditors, including trade creditors, and any prior or equal claim of any equity holder of that subsidiary. As a result, you may receive less, proportionately, than our secured creditors and the creditors of our subsidiaries.

The indenture governing the unsecured notes will require that certain of our subsidiaries provide guarantees of the unsecured notes, to the extent permitted under our existing senior secured credit facility. Any such guarantees could be held invalid or unenforceable or be limited by fraudulent conveyance or other laws.

Following the completion of the proposed acquisition, we will be required by the indenture governing the unsecured notes to provide guarantees of our obligations under the unsecured notes by the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors, only to the extent permitted under our credit facilities. The provision of such guarantees is not currently permitted under the terms of our credit facilities. While we intend to request an amendment of our credit facilities to permit the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors to guarantee the unsecured notes, we cannot assure you that such amendment will be obtained. If we do not obtain an amendment of our credit facilities, the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors will not be required to provide guarantees of the unsecured notes.

If the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors guarantee the unsecured notes, our creditors or the creditors of the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors could challenge these guarantees as fraudulent conveyances or on other grounds. The delivery of these guarantees could be found to be a fraudulent conveyance and declared void if a court determined that: the respective Rite Aid Subsidiary Guarantor or Jean Coutu Subsidiary Guarantor delivered the guarantee with the intent to hinder, delay or defraud its existing or future creditors; the respective Rite Aid Subsidiary Guarantor or Jean Coutu Subsidiary Guarantor did not receive fair consideration for the delivery of the guarantee; or the respective Rite Aid Subsidiary Guarantor or Jean Coutu Subsidiary Guarantor was insolvent at the time it delivered the guarantee. We cannot assure you that a court would not reach one of these conclusions.

In the event that a court declares these guarantees to be void, or in the event that the guarantees must be limited or voided in accordance with their terms, any claim you may make against us for amounts payable on the unsecured notes would be effectively subordinated to the obligations of our subsidiaries, including trade payables and other liabilities that constitute indebtedness. Additionally, if we are unable to obtain amendments to our credit facilities, the unsecured notes will be substantially subordinated to all obligations of the Rite Aid Subsidiary Guarantors and the Jean Coutu Subsidiary Guarantors.

We may be unable to purchase the notes upon a change of control.

Upon a change of control event, we would be required to offer to purchase each series of notes for cash at a price equal to 101% of their respective aggregate principal amounts, plus accrued and unpaid interest, if any. The change of control provisions of each series of notes may not protect you if we undergo a highly leveraged transaction, reorganization, restructuring, acquisition or similar transaction that may adversely affect you unless the transaction is included within the definition of a change of control.

Our existing senior secured credit facility provides and the Tranche 2 Term Loan Facility will provide that the occurrence of certain events that would constitute a change in control for the purposes of the indentures governing each respective series of notes constitutes a default under such facility. Much of our other debt also requires us to repurchase such debt upon an event that would constitute a change in control for the purposes of the notes. Other future debt may contain prohibitions of events that would constitute a change in control or would require such debt to be repurchased upon a change in control. Moreover, the exercise by holders of each series of notes of their right to require us to repurchase their respective notes could cause a default under our existing or future debt, even if the change in control itself does not result in a default under existing or future debt, due to the financial effect of such repurchase on us. Finally, our ability to pay cash to holders of each series of the notes upon a repurchase may be limited by our financial resources at the time of such repurchase. Therefore, we cannot assure you that sufficient funds will be available when necessary to make any required repurchases. Our failure to purchase either series of the notes in connection with a change in control would result in a default under the indentures governing the respective series of notes. Such a default would, in turn, constitute a default under much of our existing debt, and may constitute a default under future debt as well.

An active trading market may not develop for the notes.

There is no existing trading market for either series of notes. Although the underwriters have informed us that they currently intend to make a market in both series of notes, they have no obligation to do so and may discontinue making a market at any time without notice. Accordingly, we cannot assure you that a liquid market will develop for either series of notes, that you will be able to sell your notes at a particular time or that the prices that you receive when you sell will be favorable.

We do not intend to apply for listing of either series of notes on any securities exchange.

The liquidity of any market for each series of notes will depend on a number of factors, including:

- the number of holders of the respective series of notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in such series of notes; and
- prevailing interest rates.

An active market for either series of the notes may not develop and, if it develops, may not continue.

USE OF PROCEEDS

The net proceeds from this offering will be approximately $977.3 million after deducting $21.3 million in underwriters' discounts and commissions and approximately $1.5 million of other fees and expenses. We intend to use the net proceeds of this offering to redeem our 9.5% Notes in accordance with their terms at a price equal to 104.750% of their outstanding principal amount plus any interest to, but not including, the date of redemption, to repay amounts outstanding under our existing senior secured credit facility (including borrowings used to pay at maturity our 4.75% convertible notes due December 2006 and our 7.125% senior notes due January 2007) and for working capital and general corporate purposes. For a description of interest rate and maturity of the indebtedness under our existing senior secured credit facility, see "Description of Other Indebtedness Existing Credit Facility."

CAPITALIZATION

The following table sets forth our unaudited consolidated cash and cash equivalents and our capitalization as of December 2, 2006 (i) on an actual basis, (ii) on a pro forma as adjusted basis to give effect to this offering and the application of the proceeds described herein and (iii) on a pro forma as adjusted basis to give effect to this offering, the application of the proceeds described herein and the proposed acquisition as if it had occurred on that date. You should read the data set forth in the table below in conjunction with "The Proposed Acquisition," "Unaudited Pro Forma Financial Information," "Selected Historical Consolidated Financial Data of Rite Aid," "Selected Historical Financial Data of Jean Coutu USA," "Rite Aid Management's Discussion and Analysis of Financial Condition and Results of Operations," "Jean Coutu USA Management's Discussion and Analysis of Financial Condition and Results of Operation," our audited and unaudited consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement, and Jean Coutu USA's audited consolidated financial statements and the accompanying notes contained in our Definitive Proxy Statement, which we filed with the SEC on November 30, 2006 and have incorporated by reference in this prospectus supplement, and Jean Coutu USA's unaudited consolidated condensed financial statements and the accompanying notes contained herein.

	December 2, 2006		
	Actual	Pro Forma As Adjusted for this Offering	Pro Forma As Adjusted for the Proposed Acquisition
	(Dollars in thousands)		
Cash and cash equivalents	$ 148,397	$ 148,397	$ 181,997
Secured Debt:			
Existing senior secured credit facility	$ 875,000	$ 396,074	$ 396,074
Tranche 1 Term Loan	145,000	145,000	145,000
Tranche 2 Term Loan Facility(1)			680,000
8.125% senior secured notes due 2010	357,666	357,666	357,666
9.5% senior secured notes due 2011	300,000		
7.5% senior secured notes due 2015	200,000	200,000	200,000
7.5% senior secured notes offered hereby due 2017		500,000	500,000
Acquisition Notes(2)			870,000
Other	1,719	1,719	1,719
	1,879,385	1,600,459	3,150,459
Lease Financing Obligations	177,539	177,539	200,890
Unsecured Debt:			
7.125% senior notes due 2007(3)	184,074		
6.125% fixed-rate senior notes due 2008	150,000	150,000	150,000
9.25% senior notes due 2013	148,439	148,439	148,439
6.875% senior debentures due 2013	184,773	184,773	184,773
7.7% notes due 2027	295,000	295,000	295,000
6.875% fixed-rate senior notes due 2028	128,000	128,000	128,000
8.5% senior subordinated notes due 2014(4)			884,000
8.625% senior notes offered hereby due 2015		500,000	500,000
	1,090,286	1,406,212	2,290,212
Total debt	3,147,210	3,184,210	5,641,561
Stockholders' equity	$ 1,625,275	$ 1,616,375	$ 2,698,275
Total capitalization	$ 4,772,485	$ 4,800,585	$ 8,339,836

(1) Does not include approximately $228 million of the amount remaining under the Tranche 2 Term Loan Facility that we may draw on or after the time of our Post-Closing Filing.

(2) We can provide no assurance that we will not alter the financing structure of the proposed acquisition described herein.

(3) On January 16, 2007, we paid at maturity the remaining outstanding principal of $184,074 of our 7.125% senior notes due 2007. We funded this payment with borrowings under our existing senior secured credit facility.

(4) On December 8, 2006, the Jean Coutu Group filed against the trustee under the Jean Coutu Notes a complaint for declaratory judgment in the United States District Court for the Southern District of New York. Among other things, the complaint seeks a declaratory judgment that the indenture permits Rite Aid's assumption of the Jean Coutu Notes. On December 20, 2006, the holders of the Jean Coutu Notes sought and subsequently were granted permission to intervene in the Action. The holders of the Jean Coutu Notes answered the complaint and filed counterclaims which seek, among other things, a judgment declaring (i) that the proposed acquisition is not a sale of all or substantially all of the Jean Coutu Group's assets and that the substitution of Rite Aid for the Jean Coutu Group as obligor on the Jean Coutu Notes would be a breach of the indenture and an event of default under it; or (ii) a judgment declaring a violation of Section 801 of the indenture for the Jean Coutu Notes if, in connection with the sale of "all or substantially all" of its assets the Jean Coutu Group dissolves guaranteeing subsidiaries that it is not selling rather than requiring those subsidiaries to reaffirm their guarantees. This Action is currently in discovery and briefing for summary judgment is scheduled to close on March 2, 2007 with a hearing on the motion for summary judgment scheduled for March 9, 2007.

RATIO OF EARNINGS TO FIXED CHARGES

We have calculated the ratio of earnings to fixed charges in the following table by dividing earnings by fixed charges. For this purpose, earnings include pre-tax income from continuing operations plus fixed charges before capitalized interest. Fixed charges include interest, whether expensed or capitalized, amortization of debt expense, preferred stock dividend requirement and that portion of rental expense which is representative of the interest factor in those rentals.

	Thirty-Nine Weeks Ended	Fiscal Year Ended				
	December 2, 2006 (39 Weeks)	March 4, 2006 (53 Weeks)	February 26, 2005 (52 Weeks)	February 28, 2004 (52 weeks)	March 1, 2003 (52 weeks)	March 2, 2002 (52 weeks)
	(Dollars in thousands)					
Fixed charges:						
Interest expense	$ 205,703	$ 277,017	$ 294,871	$ 313,498	$ 330,020	$ 396,064
Interest portion of net rental expense(1)	145,250	189,756	185,313	184,391	189,528	181,493
Fixed charges before capitalized interest and preferred stock dividend requirements	350,953	466,773	480,184	497,889	519,548	577,557
Preferred stock dividend requirement(2)	46,988	65,446	54,194	37,074	49,540	42,354
Capitalized interest	1,027	934	250	133	301	806
Total fixed charges	$ 398,968	$ 533,153	$ 534,628	$ 535,096	$ 569,389	$ 620,717
Earnings:						
Income (loss) before income taxes	$ 13,417	$ 43,254	$ 134,007	$ 34,584	$ (154,482)	$ (837,385)
Share of loss from equity method investees						12,092
Preferred stock dividend requirement	(46,988)	(65,446)	(54,194)	(37,074)	(49,540)	(42,354)
Fixed charges before capitalized interest	397,941	532,219	534,378	534,963	569,088	619,911
Total adjusted earnings (loss)	364,370	510,027	614,191	532,473	365,066	(247,736)
Earnings to fixed charges (deficiency) excess	$ (34,598)	$ (23,126)	$ 79,563	$ (2,623)	$ (204,323)	$ (868,453)
Ratio of earnings to fixed charges(3)			1.15x			

(1) The interest portion of net rental expense is estimated to be equal to one-third of the minimum rental expense for the period.

(2) The preferred stock divided requirement is computed as the pre-tax earnings that would be required to cover preferred stock dividends.

(3)

For the years ended March 2, 2002, March 1, 2003, February 28, 2004, and March 4, 2006 and for the thirty-nine weeks period ended December 2, 2006 earnings were insufficient to cover fixed charges by approximately $868.5 million, $204.3 million, $2.6 million, $23.1 million and $34.6 million, respectively.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial statements were prepared using the historical consolidated financial statements of Rite Aid and Jean Coutu USA. This information should be read in conjunction with, and is qualified in its entirety by, the consolidated financial statements and accompanying notes of Rite Aid and Jean Coutu USA included in or incorporated by reference into this prospectus supplement.

The accompanying unaudited pro forma combined financial statements give pro forma effect to:

- the proposed offer and sale of $500 million aggregate principal amount of our senior secured notes and $500 million aggregate principal amount of our senior notes, including the expected application of the proceeds therefrom (collectively, the "proposed offering") and

- the proposed acquisition, assuming a purchase price of $1.45 billion in cash, the assumption of Jean Coutu Group's 8.5% Senior Subordinated Notes due 2014 (the "Jean Coutu Notes"), and the issuance of Rite Aid common stock, using the purchase method of accounting.

The pro forma adjustments related to the proposed acquisition are preliminary and do not reflect the final purchase price, final debt components or final allocation of the excess of the purchase price over the net book value of the assets of Jean Coutu USA, as the process to assign a fair value to the various tangible and intangible assets acquired has only just commenced. Final adjustments are likely to result in a materially different purchase price, debt components and allocation of the purchase price, which will affect the value assigned to the tangible or intangible assets and amount of interest expense and depreciation and amortization expense recorded in the statement of operations. The effect of the changes to the statements of operations will depend on the final purchase price, the nature and amount of debt issued and assumed and the nature and amount of the final purchase price allocation and could be material. We can provide no assurance that we will not alter the financing structure of the proposed acquisition described herein.

The pro forma financials do not reflect revenue opportunities and cost savings that we expect to realize after the completion of the proposed acquisition. The pro forma financial information also does not reflect non-recurring charges related to integration activity or exit costs that may be incurred by Rite Aid or Jean Coutu USA in connection with the proposed acquisition.

The unaudited pro forma combined balance sheet assumes that the completion of this offering and the proposed acquisition took place on December 2, 2006 and combines Rite Aid's unaudited December 2, 2006 balance sheet, pro forma for the proposed offering, with the unaudited balance sheet of Jean Coutu USA as of November 25, 2006.

The unaudited pro forma combined statements of operations for the 53-week year ended March 4, 2006 and the thirty-nine week period ended December 2, 2006 assume that this offering, and the proposed acquisition took place on the first day of the period presented (i.e., February 27, 2005 and March 5, 2006, respectively). The unaudited pro forma combined statement of operations for the 53-week fiscal year ended March 4, 2006 combines Rite Aid's audited consolidated statement of operations for the 53-week fiscal year ended March 4, 2006, pro forma for the proposed offering, with Jean Coutu USA's audited consolidated statement of operations for the 52-week fiscal year ended May 27, 2006. The unaudited pro forma combined statement of operations for the thirty-nine weeks ended December 2, 2006 combines Rite Aid's unaudited consolidated statement of operations for the thirty-nine week period ended December 2, 2006, pro forma for the proposed offering, with Jean Coutu USA's unaudited consolidated statement of operations for the thirty-nine week period ended November 25, 2006 (comprised of the thirteen week period ended May 27, 2006, and the twenty-six week period ended November 25, 2006). Reclassifications have been made to the statements of operations of Jean Coutu USA to conform it to Rite Aid's financial statement classifications. In order to prepare the accompanying pro forma combined statements of operations for the combined company, revenues of $2,428.1 million and a net loss of $31.7 million for the thirteen weeks ended May 27, 2006 for Jean Coutu USA were included in both the 52-week fiscal year ended May 27, 2006 and the thirty-nine weeks ended November 25, 2006.

The pro forma financial information is based on the estimates and assumptions set forth in the notes to such information. The pro forma financial information is preliminary and is being furnished solely for information purposes and, therefore, is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the dates or periods indicated, nor is it necessarily indicative of the results of operations or financial position that may occur in the future.

RITE AID CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

(Dollar and share information in millions)

	Rite Aid Corporation December 2, 2006	Preliminary Pro Forma Adjustments for this Offering	Pro Forma for this Offering	Jean Coutu USA November 25, 2006	Preliminary Pro Forma Adjustments for the Proposed Acquisition	Pro Forma Combined
Assets						
Current assets:						
Cash and cash equivalents	$ 148.4	$	$ 148.4	$ 33.6	$	$ 182.0
Accounts receivable, net	321.8		321.8	405.3		727.1
Inventories, net	2,468.4		2,468.4	1,702.6	74.9 (1)	4,245.9
Prepaid expenses and other current assets	113.2		113.2	62.2	(15.3)(2)	160.1
Total current assets	3,051.8		3,051.8	2,203.7	59.6	5,315.1
Property, plant and equipment, net	1,697.3		1,697.3	1,111.1	10.9 (3)	2,819.3
Goodwill	656.0		656.0	858.7	152.3 (4)	1,667.0
Other intangibles, net	185.3		185.3	667.4	(280.6)(5)	572.1
Deferred tax assets	1,387.5	5.4	1,392.9		4.8	1,397.7
Other assets	154.3	22.8 (17)	177.1	234.2	(177.5)(6)	233.8
Total assets	$ 7,132.2	$ 28.2	$ 7,160.4	$ 5,075.1	$ (230.5)	$ 12,005.0
Liabilities and Stockholders' Equity						
Current liabilities:						
Current maturities of convertible notes, long term debt and lease financing obligations	$ 197.6	$ (184.1)(16)	$ 13.5	$ 173.9	$ (161.4)(7)	$ 26.0
Accounts payable	923.8		923.8	678.7		1,602.5
Accrued salaries, wages and other current liabilities	715.4		715.4	428.9		1,144.3
Total current liabilities	1,836.8	(184.1)	1,652.7	1,281.5	(161.4)	2,772.8
Long-term debt, less current maturities	2,785.0	221.2(16)	3,006.2	3,020.2	(586.2)(8)	5,440.2
Lease financing obligations, less current maturities	164.7		164.7		10.9 (9)	175.6
Other noncurrent liabilities	720.4		720.4	311.2	(113.5)(10)	918.1
Total liabilities	$ 5,506.9	$ 37.1	$ 5,544.0	$ 4,612.9	$ (850.2)	$ 9,306.7
Stockholders' equity:						
Preferred stock				6.2	(6.2)	
Preferred stock, Series E	120.0		120.0			120.0
Preferred stock, Series G	127.7		127.7			127.7
Preferred stock, Series H	125.5		125.5			125.5

	Rite Aid Corporation December 2, 2006	Preliminary Pro Forma Adjustments for this Offering		Pro Forma for this Offering	Jean Coutu USA November 25, 2006	Preliminary Pro Forma Adjustments for the Proposed Acquisition		Pro Forma Combined
Preferred stock, Series I	116.4			116.4				116.4
Common stock	532.3			532.3		250.0		782.3
Accumulated paid-in capital	3,104.7			3,104.7	607.4	232.6		3,944.7
Accumulated deficit	(2,477.3)	(8.9)	(18)	(2,486.2)	(151.4)	143.3		(2,494.3)
Accumulated other comprehensive loss	(24.0)			(24.0)				(24.0)
Total stockholders' equity	1,625.3	(8.9)		1,616.4	462.2	619.7	(11)	2,698.3
Total liabilities and stockholders equity	$ 7,132.2	$ 28.2		$ 7,160.4	$ 5,075.1	$ (230.5)		$ 12,005.0

See accompanying notes to unaudited pro forma combined financial statements, including Note 2 for an explanation of the preliminary pro forma adjustments.

RITE AID CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

(Dollar and share information in millions)

	Rite Aid Corporation 53 weeks ended March 4, 2006	Preliminary Pro Forma Adjustments for this Offering	Pro Forma for this Offering	Jean Coutu USA 52 weeks ended May 27, 2006	Preliminary Pro Forma Adjustments for Proposed Acquisition	Pro Forma Combined
Revenues	$ 17,271.0	$	$ 17,271.0	$ 9,495.9	$	$ 26,766.9
Costs and expenses:						
Cost of goods sold	12,571.9		12,571.9	7,172.4	13.3(12)	19,757.6
Selling, general and administrative expenses	4,307.4		4,307.4	2,030.8	217.7(12)	6,555.9
Store closing and impairment charges	68.7		68.7		28.2(12)	96.9
Interest expense	277.0	8.0(19)	285.0	274.7	(65.9)(13)	493.8
Loss on debt modifications and retirements, net	9.2		9.2			9.2
Gain on sale of assets and investments, net	(6.5)		(6.5)		(8.0)(12)	(14.5)
Depreciation and amortization				215.8	(215.8)(12)	
Interest income				(6.0)	6.0(12)	
Foreign currency loss				12.7	(12.7)(14)	
	17,227.7	8.0	17,235.7	9,700.4	(37.2)	26,898.9
Income (loss) before income taxes	43.3	(8.0)	35.3	(204.5)	37.2	(132.0)
Income tax (benefit) expense	(1,229.8)	(4.0)(20)	(1,233.8)	(76.9)	13.9(15)	(1,296.8)
Net income (loss)	$ 1,273.1	$ (4.0)	$ 1,269.1	$ (127.6)	$ 23.3	$ 1,164.8

See accompanying notes to unaudited pro forma combined financial statements, including Note 2 for an explanation of the preliminary pro forma adjustments.

RITE AID CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

(Dollar and share information in millions)

	Rite Aid Corporation 39 weeks ended December 2, 2006	Preliminary Pro Forma Adjustments for this Offering	Pro Forma for this Offering	Jean Coutu USA 39 weeks ended November 25, 2006	Preliminary Pro Forma Adjustments for the Proposed Acquisition	Pro Forma Combined
Revenues	$ 12,945.7	$	$ 12,945.7	$ 7,128.4	$	$ 20,074.1
Costs and expenses:						
Cost of goods sold	9,456.6		9,456.6	5,403.3	12.4(12)	14,872.3
Selling, general and administrative expenses	3,247.2		3,247.2	1,547.2	137.2(12)	4,931.6
Store closing and impairment charges	24.2		24.2		22.8(12)	47.0
Interest expense	205.7	7.1(19)	212.8	212.2	(55.8)(13)	369.2
Loss (gain) on sale of assets and investments, net	(1.4)		(1.4)		(1.6)(12)	(3.0)
Depreciation and amortization				145.5	(145.5)(12)	
Interest income				(5.8)	5.8(12)	
Foreign currency loss				(4.2)	4.2(14)	
	12,932.3	7.1	12,939.4	7,298.2	(20.5)	20,217.1
Income (loss) before income taxes	13.4	(7.1)	6.3	(169.8)	20.5	(143.0)
Income tax (benefit) expense	1.7	(3.5)(20)	(1.8)	(63.6)	7.7(15)	(57.7)
Net income (loss)	$ 11.7	$ (3.6)	$ 8.1	$ (106.2)	$ 12.8	$ (85.3)

See accompanying notes to unaudited pro forma combined financial statements, including Note 2 for an explanation of the preliminary pro forma adjustments.

RITE AID CORPORATION

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

Note 1 Basis of Presentation

The accompanying unaudited pro forma combined balance sheet assumes that this offering and the proposed acquisition took place on December 2, 2006 and combines Rite Aid's unaudited December 2, 2006 balance sheet with the unaudited balance sheet of Jean Coutu USA as of November 25, 2006.

On August 23, 2006, Rite Aid Corporation entered into the stock purchase agreement with Jean Coutu Group. Pursuant to the terms of and subject to the conditions set forth in the stock purchase agreement, Rite Aid will acquire all of the outstanding capital stock of Jean Coutu USA, which is engaged in the business of operating a network of retail pharmacy stores conducting business under the Brooks and Eckerd banners.

The aggregate purchase price for the proposed acquisition of Jean Coutu USA will consist of $1.45 billion in cash, subject to a working capital adjustment, 250 million shares of Rite Aid common stock and the assumption of $850 million of the Jean Coutu Notes (with the cash component increasing to $2.3 billion if the Jean Coutu Notes are not assumed).

The accompanying unaudited pro forma combined statements of operations for the 53-week fiscal year ended March 4, 2006 and the thirty-nine week period ended December 2, 2006 assumes that this offering, the application of the proceeds thereof and the proposed acquisition took place on the first day of the period presented (i.e., February 27, 2005 and March 5, 2006, respectively). The unaudited pro forma combined statement of operations for the 53-week fiscal year ended March 4, 2006 combines Rite Aid's audited consolidated statement of operations for the 53-week fiscal year ended March 4, 2006, Pro Forma for the proposed offering, with Jean Coutu USA's audited consolidated statement of operations for the fiscal 52-week year ended May 27, 2006. The accompanying unaudited pro forma combined statement of operations for the thirty-nine weeks ended December 2, 2006 combines Rite Aid's unaudited consolidated statement of operations for the thirty-nine week period ended December 2, 2006, Pro Forma for the proposed offering, with Jean Coutu USA's unaudited consolidated statement of operations for the thirty-nine week period ended November 25, 2006 (comprised of the thirteen week period ended May 27, 2006, and the twenty-six week period ended November 25, 2006). Reclassifications have been made to the statement of operations of Jean Coutu USA to conform it to Rite Aid's financial statement classifications. In order to prepare the accompanying pro forma combined statements of operations, revenues of $2,428.1 million and net loss of $31.7 million for the thirteen weeks ended May 27, 2006 for Jean Coutu USA were included in both the 52-week fiscal year ended May 27, 2006 and the thirty-nine weeks ended November 25, 2006.

You should be advised that the following pro forma combined financial statements have been prepared for illustrative purposes only and do not purport to be indicative of the actual results that would have been achieved by us if this offering had already occurred or the combined company for the periods presented or that will be achieved by us or the combined company in the future.

Note 2 Unaudited Pro Forma Adjustments

The pro forma adjustments included in the accompanying statements do not reflect the final purchase price, final debt components or final allocation of the excess of the purchase price over the net book value of the assets of Jean Coutu USA, as the process to assign a fair value to the various tangible and intangible assets acquired, including goodwill, has only just commenced. Jean Coutu USA purchased the Eckerd stores from J.C. Penney Company, Inc. in July of 2004 and at that time recorded the Eckerd fixed assets, prescription file intangibles and favorable lease intangibles at their fair value, based upon the results of a valuation prepared by an independent third party. For purposes of the preliminary purchase price allocation, it is assumed that the fair values that will be assigned to these assets are based on the fair values assigned at the time of Jean Coutu USA's purchase of the Eckerd stores. For the acquired stores representing Brooks stores which were not part of the July 2004 acquisition, the Company has assigned an estimated fair value to associated fixed assets, prescription file intangibles and favorable lease intangibles of the Brooks stores, assuming that the per store estimated fair value of these assets approximates the per store estimated fair value assigned to similar assets of the Eckerd stores as discussed above. Final adjustments are likely to result in a materially different purchase price, debt components and allocation of the purchase price, which will affect the value assigned to the tangible or intangible assets and amount of interest expense and depreciation and amortization expense recorded in the statement of operations.

Adjustments for the Proposed Acquisition

Unaudited Pro Forma Combined Balance Sheet

(1) Represents the elimination of the LIFO reserve for Jean Coutu USA, in order to record the inventory of Jean Coutu USA at its estimated fair value.

(2) Represents an intercompany receivable of Jean Coutu USA to Jean Coutu Group that will not be acquired as part of the proposed acquisition.

(3) Represents the component of the excess of the purchase price over the net book value of the assets of Jean Coutu USA allocated to property, plant and equipment of Jean Coutu USA.

(4) Represents the addition of goodwill of $1,011.0 related to Rite Aid's acquisition of Jean Coutu USA less the elimination of $858.7 of goodwill related to Jean Coutu USA's acquisition of Eckerd. A preliminary calculation of the goodwill resulting from Rite Aid's acquisition of Jean Coutu USA is shown below. The final allocation of the purchase price will likely have a material impact on the pro forma balance sheet and therefore final goodwill recorded could be materially different than the amount calculated below (in millions).

Cash to be paid via new debt issuance	$	1,450.0
Assumption of the Jean Coutu Notes		884.0(a)
Issuance of Rite Aid common stock		1,090.0(b)
Purchase price		3,424.0
Estimated transaction fees		36.3(c)
Adjusted purchase price		3,460.3
Book value of Jean Coutu USA assets		(2,322.4)(d)
Total purchase price adjustment		1,137.9
Purchase price adjustment allocated to tangible and identifiable intangible assets		(126.9)(e)
Goodwill	$	1,011.0

(a) Represents the fair value of the Jean Coutu Notes at January 30, 2007. Cash to be paid via new debt issuance will increase by $850 million if the Jean Coutu Notes are not assumed.

(b) Based on a stock price of $4.36 per share. This amount is calculated based upon the average closing price of Rite Aid stock beginning two days prior to the announcement of Rite Aid's proposed purchase of Jean Coutu USA on August 24, 2006 and ending two days after that announcement.

(c) Represents transaction fees incurred that will be capitalized as part of the purchase price allocation. Fees incurred to issue the debt to finance the proposed acquisition will be capitalized and amortized over the term of the related debt instrument. See footnote 6 below.

(d) Calculated by taking the book value of Jean Coutu USA at November 25, 2006 and adjusting for the elimination of intercompany assets and liabilities not acquired by Rite Aid and the elimination of goodwill, trade name intangible assets and related deferred tax liabilities related to Jean Coutu USA's acquisition of Eckerd.

(e) Includes adjustments for the elimination of the LIFO reserve of Jean Coutu USA ($74.9 million), purchase price allocation to property, plant and equipment ($10.9 million), purchase price allocation to prescription file intangibles ($57.5 million) and purchase price allocation to favorable lease intangibles ($14.9 million), less additional deferred tax liabilities related to the purchase price allocation of $31.2 million. After taking into account these adjustments, along with the other adjustments described in this Note 2, the preliminary fair value of the inventory, property, plant and equipment and identifiable intangibles acquired from Jean Coutu USA is $1,627.6 million, $1,122.0 million and $386.8 million, respectively.

(5) Represents the elimination of the Eckerd trade name intangible asset of $353.0 million, the allocation of $57.5 million of the purchase price of Jean Coutu USA to prescription file intangibles and the allocation of $14.9 million of the purchase price of Jean Coutu USA to favorable lease intangibles.

(6) Represents the receivable of $228.3 million of Jean Coutu USA to Jean Coutu Group that will not be acquired as part of the proposed acquisition and the capitalization of an estimated $50.8 million of debt issue costs expected to be incurred by Rite Aid for debt issued to consummate the acquisition that will be amortized over the term of the related debt instruments.

(7) Represents an intercompany payable of Jean Coutu USA to Jean Coutu Group that will not be acquired as part of the proposed acquisition.

(8) Represents intercompany debt of $3,009.3 million from Jean Coutu USA to Jean Coutu Group that will not be acquired as part of the proposed acquisition, the reclassification of $10.9 million of the long term portion of capital leases to lease financing obligations and the incurrence of $2,434.0 million of debt by Rite Aid to finance the proposed acquisition.

(9) Represents the reclassification of Jean Coutu USA lease financing obligations to conform to Rite Aid presentation.

(10) Represents elimination of Jean Coutu USA deferred tax liabilities of $144.7 million related to the Eckerd trade name asset and the addition of deferred tax liabilities resulting from the assignment of a portion of the purchase price allocation to identifiable tangible and intangible assets.

(11)

Reflects the elimination of the historical equity of Jean Coutu USA (which results in a reduction to pro forma equity of $462.2 million), the addition of equity recorded for the issuance of 250 million shares of Rite Aid common stock (which results in an increase in pro forma equity of $1,090.0 million; see footnote (4), sub-footnote (2) above) and the tax effected impact of a non-recurring commitment fee of $12.9 million related to bridge financing for the proposed acquisition (which results in a reduction of pro forma equity of $8.1 million). The net effect of these adjustments to pro forma equity is an increase of $619.7 million.

Unaudited Pro Forma Combined Statements of Operations

(12)

Reflects the following pro forma adjustments (in millions):

	Pro forma Impact	
	53 weeks ended March 4, 2006	**39 weeks ended December 2, 2006**
Additional amortization expense resulting from the adjustment of the amortization period of Eckerd prescription file intangibles from ten years to five years (increase in SG&A)	$ 28.7	$ 21.5
Additional depreciation and amortization expense resulting from an allocation of a portion of the purchase price of Jean Coutu USA representing the Brooks stores to:		
property plant and equipment (increase to cost of goods sold)	$ 0.5	$ 0.4
prescription file intangibles, (increase in SG&A)	$ 11.5	$ 8.6
favorable lease intangibles, (increase in SG&A)	$ 0.7	$ 0.6
Reclassification of depreciation and amortization of Jean Coutu USA to:		
costs of goods sold (increase in cost of goods sold)	$ 12.8	$ 12.0
SG&A (increase in SG&A)	$ 203.0	133.5
Reclassification of interest income of Jean Coutu USA to SG&A (decrease in SG&A)	$ 6.0	$ 5.8
Reclassification of amounts from SG&A to conform with Rite Aid's presentation in the statement of operations.		
store closing and impairment charges (decrease in SG&A)	$ 28.2	$ 22.8
gain on sale of fixed assets (increase in SG&A)	$ 8.0	$ 1.6

Depreciation expense related to the purchase price adjustment to property, plant and equipment is calculated as being depreciated over a 20 year period, as the Company's assumption in the purchase price allocation is that the majority of this allocation is related to the fair value of improvements to leased locations. Therefore, the period used is the minimum period of the majority of Jean Coutu USA's operating leases. Amortization expense related to the purchase price adjustment to favorable lease intangibles is calculated as being amortized over a 20 year period, which is the minimum period of the majority of Jean Coutu USA's operating leases. Amortization expense related to the purchase price adjustment to prescription file intangibles is calculated as being amortized over a five year period, as this is the life that has been assigned recent prescription file intangible additions of the Company. The useful lives assigned in the final purchase price allocation could differ from these lives, which could have a material impact on depreciation and amortization expense. A $10 million adjustment to the value assigned to property plant and equipment would have an impact on annual depreciation expense of $0.5 million. A $10 million adjustment to the value assigned to favorable lease intangibles would have an impact on annual amortization expense of $0.5 million. A $10 million adjustment to the value assigned to prescription file intangibles would have an impact on annual amortization expense of $2.0 million.

(13)
Reflects the impact of eliminating the historical interest expense incurred by Jean Coutu USA for intercompany debt to Jean Coutu Group and adding interest expense to be incurred for the debt issued and assumed by Rite Aid in this offering and for the proposed acquisition. A listing of this debt is detailed in the section of this prospectus supplement titled "Capitalization."

(14)
Reflects the elimination of loss on foreign currency exchange between Jean Coutu USA and Jean Coutu Group related to the Canadian dollar denominated intercompany debt that will not be acquired as a part of this acquisition.

(15)
Represents the tax effect of the pro forma adjustments, recorded at an estimated statutory rate of 37.5%.

Adjustments for the Proposed Offering

Unaudited Pro Forma Combined Balance Sheet

(16)
Represents the increase in indebtedness from the issuance of $1.0 billion aggregate principal amount of notes in the proposed offering, net of the redemption of $300 million principal amount of our 9.5% senior secured notes due 2011 and our repayment of approximately $478.9 million under our revolving credit facility; of which approximately $184.1 million was used to pay at maturity our 7.125% senior notes due January 2007. The net increase in indebtedness of $37.1 million represents amounts used to fund the costs of issuing the notes ($22.8 million) and to complete our early redemption of our 9.5% senior secured notes due 2011 ($14.3 million).

(17)
Represents the capitalization of the costs to issue the notes.

(18)
Represents the tax effected impact on stockholders equity of the loss incurred in the redemption of our 9.5% senior secured notes due 2011.

Unaudited Pro Forma Combined Statement of Operations

(19)
Represents the impact of the proposed offering on interest expense.

(20)
Represents the tax effect of the pro forma adjustments.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF RITE AID

We derived our following financial data from audited financial statements for fiscal years 2002 through 2006 and from unaudited financial statements for the thirty-nine weeks ended December 2, 2006 and November 26, 2005, which are incorporated by reference in this prospectus supplement. In the opinion of our management, this unaudited interim period information reflects all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results of operations and financial condition for the thirty-nine weeks ended December 2, 2006 and November 26, 2005. Results for interim periods should not be considered indicative of results for any other periods or for the year.

This information is only a summary. You should read the data set forth in the table below in conjunction with "Rite Aid Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited and unaudited consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	Thirty-Nine Weeks Ended		Fiscal Year Ended				
	Dec. 2, 2006	Nov. 26, 2005	Mar. 4, 2006 (53 weeks)	Feb. 26, 2005 (52 weeks)	Feb. 28, 2004 (52 weeks)	Mar. 1, 2003 (52 weeks)	Mar. 2, 2002 (52 weeks)
	(Dollars and share information in thousands)						
Summary of Operations:							
Revenues	$ 12,945,650	$ 12,499,642	$ 17,270,968	$ 16,816,439	$ 16,600,449	$ 15,791,278	$ 15,166,170
Costs and expenses:							
Cost of goods sold(1)	9,456,572	9,075,083	12,571,860	12,202,894	12,163,735	11,611,829	11,252,229
Selling, general and administrative expenses(1)(2)	3,247,208	3,150,392	4,307,421	4,127,536	4,029,220	3,900,553	3,850,134
Goodwill amortization(3)							21,007
Store closing and impairment charges	24,153	26,305	68,692	35,655	22,074	135,328	251,617
Interest expense	205,703	205,273	277,017	294,871	313,498	330,020	396,064
Interest rate swap contracts						278	41,894
Loss (gain) on debt modifications and retirements, net		9,186	9,186	19,229	35,315	(13,628)	221,054
Share of loss from equity investments							12,092
Loss (gain) on sale of assets and investments, net	(1,403)	(3,865)	(6,462)	2,247	2,023	(18,620)	(42,536)
Total costs and expenses	12,932,233	12,462,374	17,227,714	16,682,432	16,565,865	15,945,760	16,003,555
Income (loss) before income taxes	13,417	37,268	43,254	134,007	34,584	(154,482)	(837,385)
Income tax expense (benefit)	1,688	10,635	(1,229,752)	(168,471)	(48,795)	(41,940)	(11,745)
Net income (loss)	$ 11,729	$ 26,633	$ 1,273,006	$ 302,478	$ 83,379	$ (112,542)	$ (825,640)
Financial Position:							
Working capital	$ 1,214,993	$ 1,188,149	$ 741,488	$ 1,335,017	$ 1,894,247	$ 1,676,889	$ 1,580,218
Property, plant and equipment, net	1,697,347	1,678,357	1,717,022	1,733,694	1,882,763	1,867,830	2,095,552
Total assets	7,132,217	5,836,251	6,988,371	5,932,583	6,245,634	6,132,766	6,491,281
Total debt(4)	3,147,210	3,081,189	3,051,446	3,311,336	3,891,666	3,862,628	4,056,468
Redeemable preferred stock(5)	20,047	19,944					