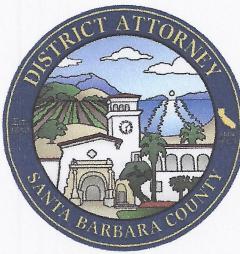


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September 26, 2013

Rite Aid Corporation to Pay More than \$12 Million for Environmental Violations

Stores Illegally Dumped Hazardous Wastes

District Attorney Joyce E. Dudley announced today that Rite Aid Corporation has been ordered to pay more than \$12.3 million to settle a civil lawsuit alleging that some 600 California Rite Aid stores unlawfully handled and disposed of hazardous materials.

The judgment marks the culmination of a joint environmental protection lawsuit filed in September 2013 by the district attorneys of Los Angeles, San Joaquin and Riverside counties. In all, 52 California district attorneys and two city attorneys joined the civil action.

District Attorney Dudley said, "Thanks to the outstanding investigative and legal efforts of the district attorney inspectors and environmental prosecutors from district attorney offices around the state, we can announce this significant victory for our citizens and our natural resources. As a result of the prosecution, California Rite Aid stores have adopted enhanced policies and procedures designed to eliminate the disposal of hazardous waste products into local landfills."

San Joaquin County Superior Court Judge Linda L. Lofthus has ordered the Rite Aid Corporation to pay \$12,324,000 in settlement of the civil environmental prosecution.

The case originated from an investigation by Los Angeles-based environmental health agencies during the fall of 2009. The investigation expanded when prosecutors, investigators, and environmental regulators statewide came together to conduct a series of waste inspections at Rite Aid facilities and at landfills throughout California.

The inspections revealed that during a six-and-a-half year period Rite Aid transported hazardous waste, disposing it to local landfills. The hazardous products allegedly discarded included pesticides, bleach, paint, aerosols, automotive products and solvents, pharmaceutical and bio hazardous wastes, and other toxic, ignitable, and corrosive materials.

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Under the final judgment, Rite Aid must pay \$10.35 million in civil penalties and costs. Additionally, the Camp Hill, Pennsylvania-based company must fund several environmental projects that further consumer protection and environmental enforcement in California.

Rite Aid will be bound under the terms of a permanent injunction prohibiting the retailer from committing future violations. Under the settlement, Rite Aid will pay \$18,000 in civil penalties and cost recovery to the Santa Barbara County District Attorney's Office and \$17,000 in civil penalties and cost recovery to Santa Barbara County environmental regulators. The funds are required to be for the exclusive use by the district attorney for the enforcement of consumer protection laws. Throughout the course of the environmental prosecution, Rite Aid has cooperated with prosecutors and investigators and has adopted enhanced policies and procedures designed to eliminate the disposal of hazardous waste products in California.

Moving forward, stores will be required to retain their hazardous waste in segregated, labeled containers so as to minimize the risk of exposure to employees and customers and to ensure that incompatible wastes do not combine to cause dangerous chemical reactions. California Rite Aid stores now work with state-registered haulers to document, collect, and properly dispose of hazardous waste through damage, spills, and returns. Moreover, Rite Aid has implemented a computerized scanning system and other environmental training to manage its waste.

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