

SHOPPERS DRUG MART CORPORATION

Price (June 5, 2009)	\$44.50
52-Week Range	\$58.23-\$41.39
Shares O/S	217.36 million
Market Cap	\$8.58 million
20-day Avg Volume	779,100
150-day Avg Volume	811,000
Fiscal Year-End	December 31
Symbol	TSX: SC
Website	www.shoppersdrugmart.ca

Financial Data

Selected Income/Cash Flow (C\$millions)	Year End	Last 12 Mos
	Dec-08	Mar-09
Sales	\$9,423	\$9,594
EBITDA	\$1,088	\$1,107
Net Income	\$565	\$571
Cash Flow (CF) From Operations	\$464	\$540
Free Cash Flow	(\$277)	(\$133)
Selected Balance Sheet	At Dec-08	At Mar-09
Cash (& Equivalents)	\$37	\$26
Total Debt	\$1,425	\$1,501
Shareholders' Equity	\$3,459	\$3,483
Total Assets	\$6,419	\$6,337
Working Capital	\$540	\$848
Working Capital Ratio	1.29x	1.58x
Key Ratios	At Dec-08	At Mar-09
EBITDA Margin	11.5%	11.5%
Return on Equity (ROE)	16.3%	16.4%
Return on Assets (ROA)	8.8%	9.0%
Sales Per Share	\$43.37	\$44.14
Earnings Per Share	\$2.60	\$2.63
Cash Flow Per Share	\$2.14	\$2.48
Cash Per Share (March 2009)	\$0.17	\$0.12
Enterprise Value (\$ millions)	\$11,827	\$10,895
Enterprise Value Per Share	\$54.44	\$50.13
Equity Book Value Per Share	\$15.92	\$16.03
Multiples	At Dec-08	At Mar-09
Price/EPS (multiple)	18.48x	16.50x
Price/EBITDA (multiple)	9.59x	8.51x
Price/Cash Flow (multiple)	22.50x	17.44x

eResearch Analyst: Bob Weir, B.Sc., B.Comm., CFA
the UpTrend.com Analyst: Stephen Whiteside

Note: Report prepared with public information only.

eResearch Corporation 56 Temperance Street, Suite 501 Toronto, ON M5H 3V5 Telephone: 416-643-7650 Toll Free: 877-856-0765	theUpTrend.com 2 Bloor Street West, Suite 100 Toronto, ON M4W 3E2 Telephone: 416-915-6396
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Source: www.bigcharts.com

PROFILE

Shoppers Drug Mart Corporation is Canada's largest retail drugstore chain. It has more than 1,100 licensed drugstores located in 10 provinces and two territories. It operates as Pharmaprix in Quebec. The Company's stores provide pharmacy products and services, over-the-counter medications, a full range of health and beauty aids, cosmetics, fragrances, everyday household needs, and seasonal merchandise.

BRANDS

Shoppers Drug Mart offers a range of private label products marketed under the following trademarks: LifeBrand, Everyday Market, Bio-Life, Quo, Nativa, Get, and Easypix, among others, as well as services such as the HealthWATCH program, which provides patient counselling on medications, disease management and health and wellness, and the Shoppers Optimum program, a retail loyalty card programs in Canada.

CORPORATE INFORMATION

Shoppers Drug Mart Corporation
243 Consumers Road
Toronto, ON M2J 4W8

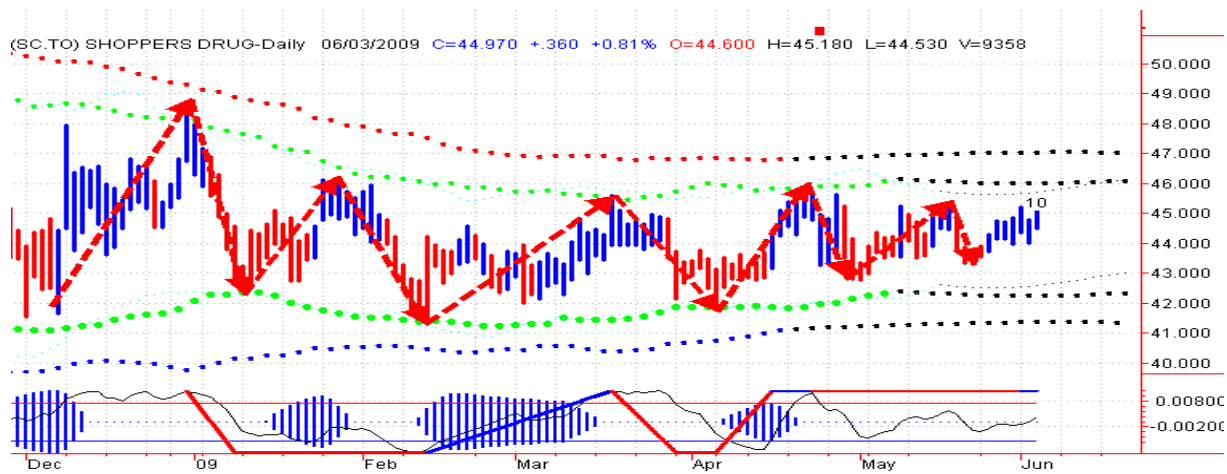


1. SHORT-TERM TECHNICAL CONSIDERATIONS

The daily technical price charts set out below are the basis for our current near-term outlook for Shoppers' stock.

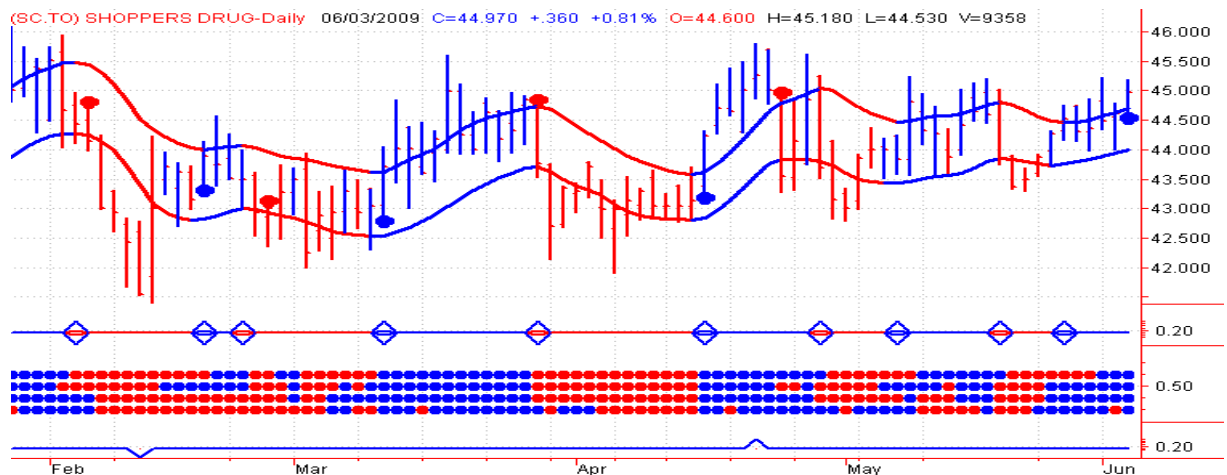
The first chart shows that Shoppers' stock is not particularly volatile. Over the past six months, the stock has been range-bound between about \$48 and \$42. While most of the rest of the market has made major gains, Shoppers' stock cannot decide which way to go: to break out on the upside or to break to the downside.

Chart 1: Trading Range



Shoppers will remain on a daily Buy Signal as long as it does not close below \$44 on a daily basis.

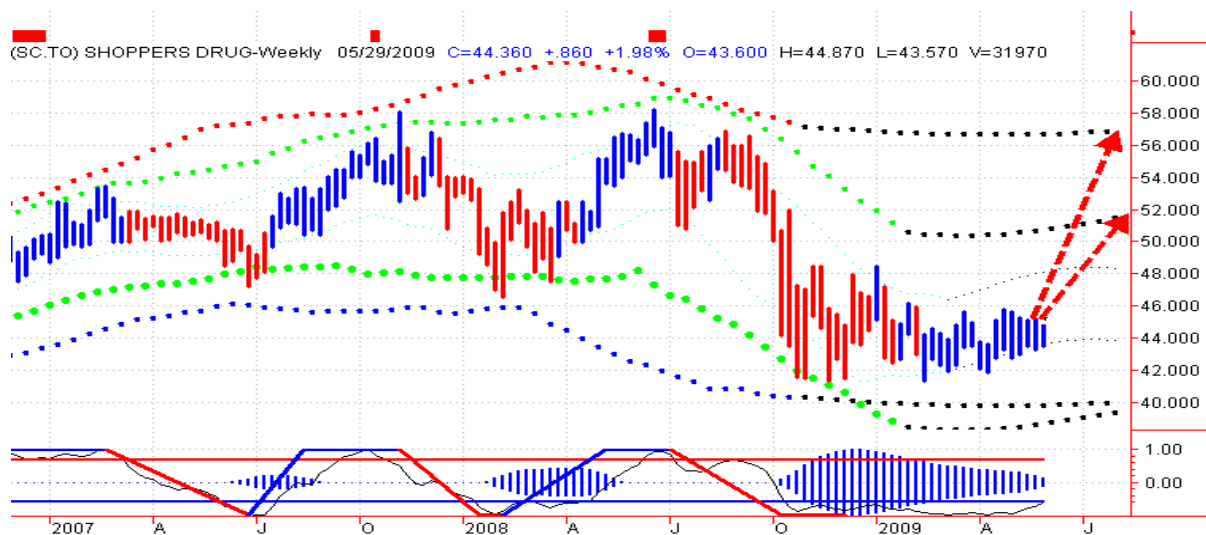
Chart 2: Short-term Trend



2. INTERMEDIATE-TERM TECHNICAL CONSIDERATIONS

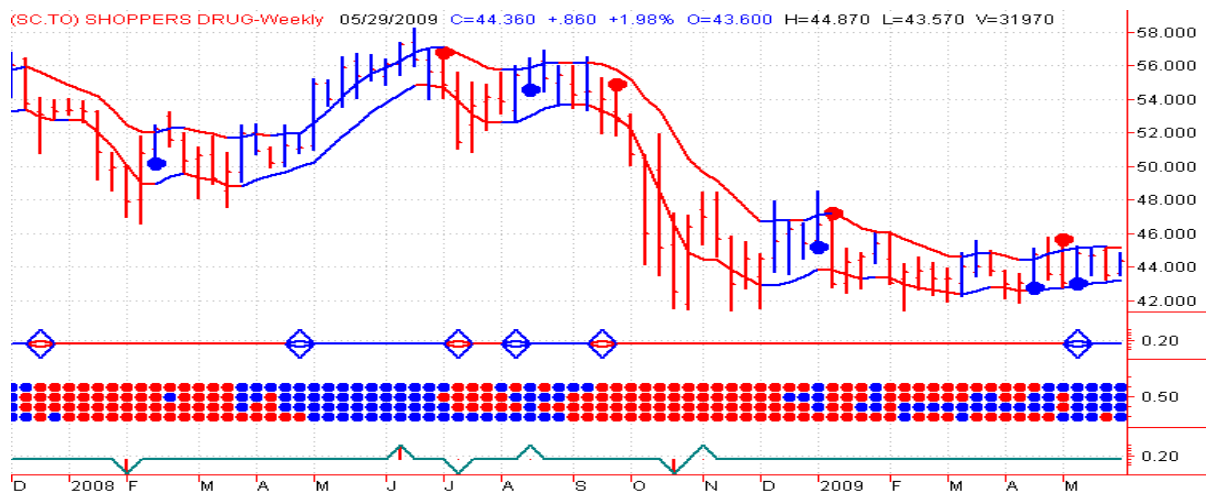
Shoppers' stock price is currently being supported by a huge blue Pressure Zone shown at the bottom of the chart. Historically, Shoppers has seen a 10 – 20% price gain after these Pressure Zones have formed. On the upside, we are projecting that the stock could move up into the \$52 - \$57 area this year.

Chart 3: Upside Potential



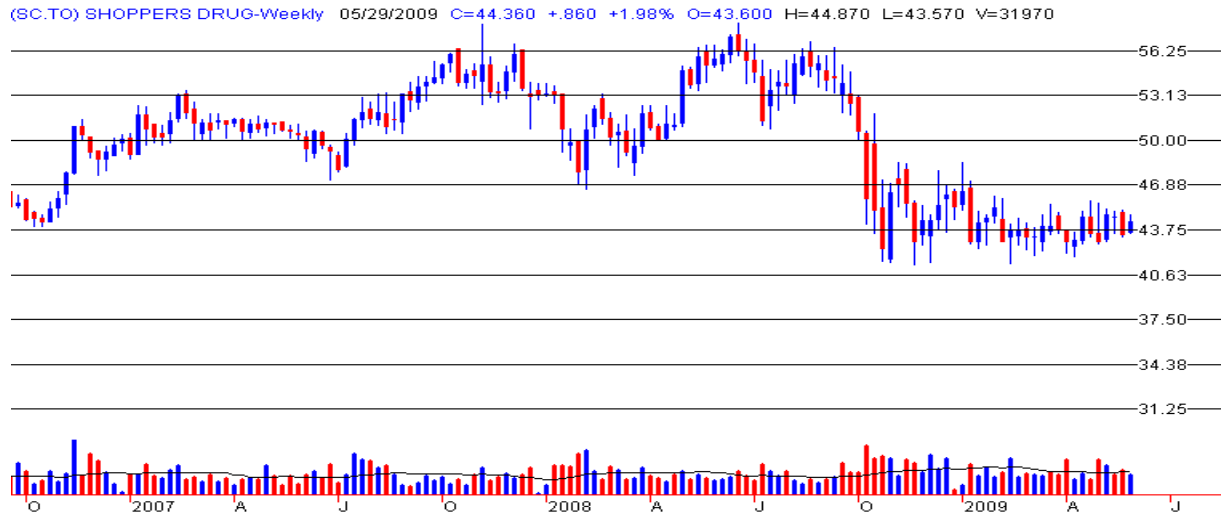
While higher prices for Shoppers are possible later this year, the stock is currently stuck in a trading range of \$42.80 - \$45.80, and adding to or initiating positions in this stock should be contemplated only on a breakout of this current trading range.

Chart 4: Trading Range



If the stock does fall below \$42.80, as shown on the chart below, it should find support at \$40.63, and then at \$37.50.

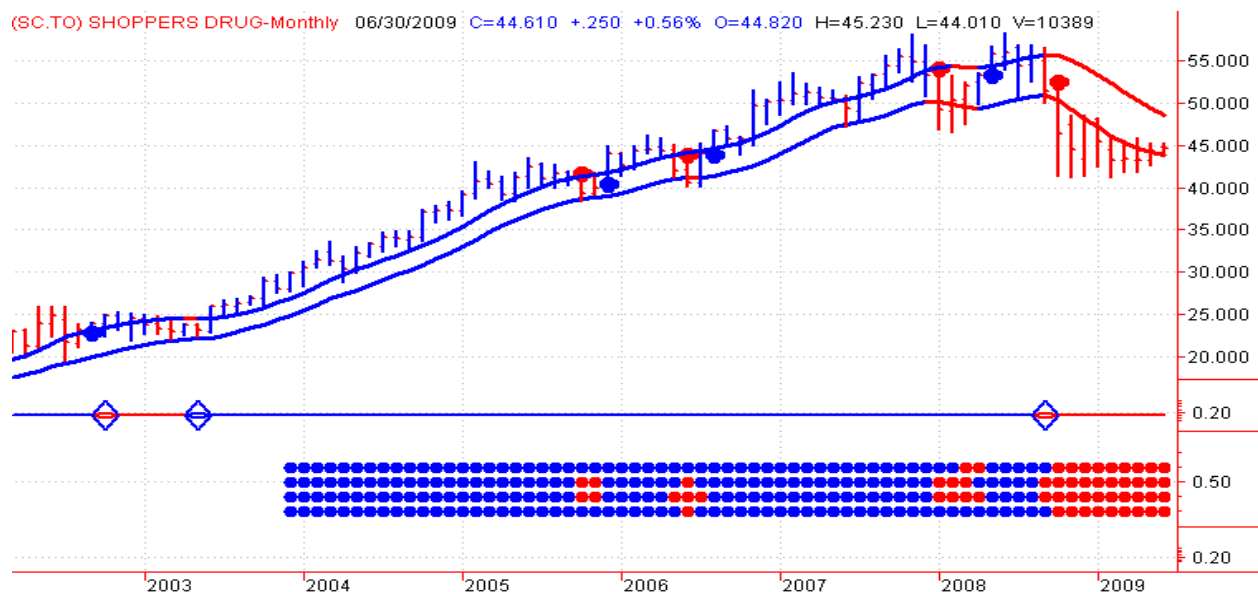
Chart 5: Support Levels



3. LONG-TERM TECHNICAL CONSIDERATIONS

Shoppers Drug Mart is currently in a Bear Market. The last Long Term Sell signal was generated in October 2008, when Shoppers first closed below the lower channel line. Compared to other stocks in the TSX 60, Shoppers was one of the last stocks to break down in 2008, and has fallen less than many of its peers. Similarly, it has not participated in the dramatic rise in the markets that occurred beginning in early March.

As shown on the following chart, a monthly close above \$48.60 would generate a new Long Term Buy Signal.



4. CONCLUSIONS

- Shoppers is currently stuck in a trading range between \$42.80 - \$45.80, and we would only consider adding, or initiating new positions in this stock, on a breakout of this current trading range.
- Short-term View: Short-term investors can remain long this stock, provided it does not have a daily close below \$44.00.
- Long-term View: Shoppers' stock is currently in a long-term bear market, which would end if it were able to have a monthly close above \$48.60.
- Next six months:
 - Upside potential: \$52.00 - \$57.00; Probability = 50%
 - Downside risk: \$37.50 - \$40.63; Probability = 50%



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