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Press Office

RITE AID ANNOUNCES CLOSING OF OVER-ALLOTMENT OPTION OF MANDATORY CONVERTIBLE PREFERRED STOCK

CAMP HILL, PA, February 8, 2005 - Rite Aid Corporation (NYSE, PCX: RAD) today announced the closing of the underwriters' exercise in full of an over-allotment option to purchase 200,000 shares of Rite Aid's 7.0% Series E Mandatory Convertible Preferred Stock ("HiMEDSSM") in connection with its previously announced public offering of HiMEDSSM.

Shares of HiMEDSSM have an annual dividend yield of 7.0% and a threshold appreciation price of \$5.36. Each share of HiMEDSSM will automatically convert on February 1, 2008, subject to certain adjustments, into no fewer than 9.3284 shares of Rite Aid's common stock, depending on the then-prevailing market price of Rite Aid's common stock. At any time prior to February 1, 2008, the HiMEDSSM may be converted at the option of the holders or, under certain circumstances, by Rite Aid.

Net proceeds to the Company from the exercise of the over-allotment option were \$9.7 million. Rite Aid intends to use the net proceeds from the exercise of the over-allotment option to redeem, at a purchase price of 105% plus any accrued dividends, 30,000 shares of each of its Series F Cumulative Convertible Pay-in-Kind Preferred Stock, Series G Cumulative Convertible Pay-in-Kind Preferred Stock and Series H Cumulative Convertible Pay-in-Kind Preferred Stock. Any remaining additional net proceeds will be used for working capital and general corporate purposes.

The offering was lead managed by J.P.Morgan, with Citigroup acting as a co-manager. Copies of the prospectus and prospectus supplement related to the public offering may be obtained from J.P. Morgan Securities Inc., Prospectus Department, One Chase Manhattan Plaza, New York, NY 10081 (Telephone Number 212-552-5164).

This announcement does not constitute an offer to sell or a solicitation of an offer to buy HiMEDSSM. The HiMEDSSM will not be sold in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

Rite Aid Corporation is one of the nation's leading drugstore chains with annual revenues of \$16.6 billion and approximately 3,400 stores in 28

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states and the District of Columbia .

This press release may contain forward-looking statements, which are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements include our high level of indebtedness, our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our senior secured credit facility and other debt agreements, 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, the outcomes of pending lawsuits and governmental investigations, competitive pricing pressures, continued consolidation of the drugstore industry, the efforts of third-party payors to reduce prescription drug reimbursements and encourage mail order, changes in state or federal legislation or regulations, the success of planned advertising and merchandising strategies, general economic conditions and inflation, interest rate movements, access to capital and our relationship with our suppliers. Consequently, all of the forward-looking statements made in this press release are qualified by these and other factors, risks and uncertainties. Readers are also directed to consider other risks and uncertainties discussed in documents filed by the Company with the Securities and Exchange Commission. Forward-looking statements can be identified through the use of words such as "may", "will", "intend", "plan", "project", "expect", "anticipate", "could", "should", "would", "believe", "estimate", "contemplate", and "possible".

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