

ALIMENTATION
COUCHE-TARD INC.

AGREEMENT TO ACQUIRE IMPERIAL OIL RETAIL ASSETS IN ONTARIO AND QUEBEC

MARCH 2016



FORWARD-LOOKING INFORMATION AND CAUTIONARY LANGUAGE

This presentation and the accompanying oral presentation contain forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as “projected”, “estimate”, “may”, “anticipate”, “believe”, “expect”, “plan”, “intend” or similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact contained in these slides are forward-looking statements.

Forward-looking statements involve numerous assumptions, risks and uncertainties. A variety of factors, many of which are beyond Alimentation Couche-Tard Inc.’s (“Couche-Tard”) control, may cause actual results to differ materially from the expectations expressed in its forward-looking statements. These factors include, but are not limited to, the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, foreign exchange rate fluctuations, and such other risks as described in detail from time to time in documents filed by Couche-Tard with securities regulatory authorities in Canada, including those risks described in Couche-Tard’s management’s discussion and analysis (MD&A) for the year ended April 26, 2015. Couche-Tard’s MD&A and other publicly filed documents are available on SEDAR at www.sedar.com.

Unless otherwise required by law, Couche-Tard does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by it or on its behalf.

While the information contained in this presentation is believed to be accurate, Couche-Tard expressly disclaims any and all liability for any losses, claims or damages of whatsoever kind based upon the information contained in, or omissions from, this presentation or any oral communication transmitted in connection therewith. In addition, none of the statements contained in this presentation are intended to be, nor shall be deemed to be, representations or warranties of Couche-Tard and its affiliates. Where the information is from third-party sources, the information is from sources believed to be reliable, but Couche-Tard has not independently verified any of such information contained herein.

This presentation is not, and under no circumstances is to be construed as, a prospectus, an offering memorandum, an advertisement or a public offering of securities. Under no circumstances should the information contained herein be considered an offer to sell or a solicitation of an offer to buy any securities.



TRANSACTION SUMMARY

- Agreement for the acquisition of 279 retail sites, 13 land bank and two dealer sites across high population density metropolitan areas in the provinces of Ontario and Quebec, Canada for 1,686 million Canadian dollars, subject to final closing adjustments
 - Complimentary to Couche-Tard's existing network
 - 229 retail sites in the Province of Ontario
 - Greater Toronto Area ("GTA"): 189 sites
 - London area: 16
 - Ottawa area: 24
 - 50 retail sites in the Province of Quebec – Montreal Island and on the South shore of Montreal
 - Couche-Tard would own the underlying land for 238 (85%) of the retail sites. 41 would be leased from third parties under long-term agreements
 - All retail sites sell Esso branded fuel
 - High volume sites averaging more than 8.5 million litres per site
 - Average convenience sales per site of more than 1 million Canadian dollars
 - 229 sites have a Tim Horton's offer providing steady stream of income and traffic:
 - 53 are operated by the agents
 - 176 are operated by lessees
 - 178 sites have a car wash offer generating strong gross profits
 - Sites are currently operated under 12-month agency agreements pursuant to which:
 - Agents operate the convenience store and would pay a commission to Couche-Tard;
 - Couche-Tard would control fuel operations and would pay a commission to the agent
- Imperial Oil to supply Esso branded fuel to the 279 retail sites under a long-term supply agreement
- Approximately 35 Imperial Oil non-store employees to join Couche-Tard
- The transaction is subject to the customary regulatory approvals and closing conditions and is expected to close within approximately 6 months

CURRENT OPERATING MODEL AT A GLANCE

Couche-Tard

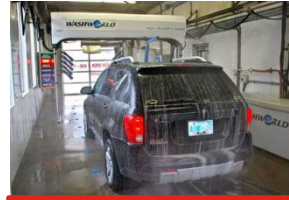


All sites

Agents



All sites



178 sites



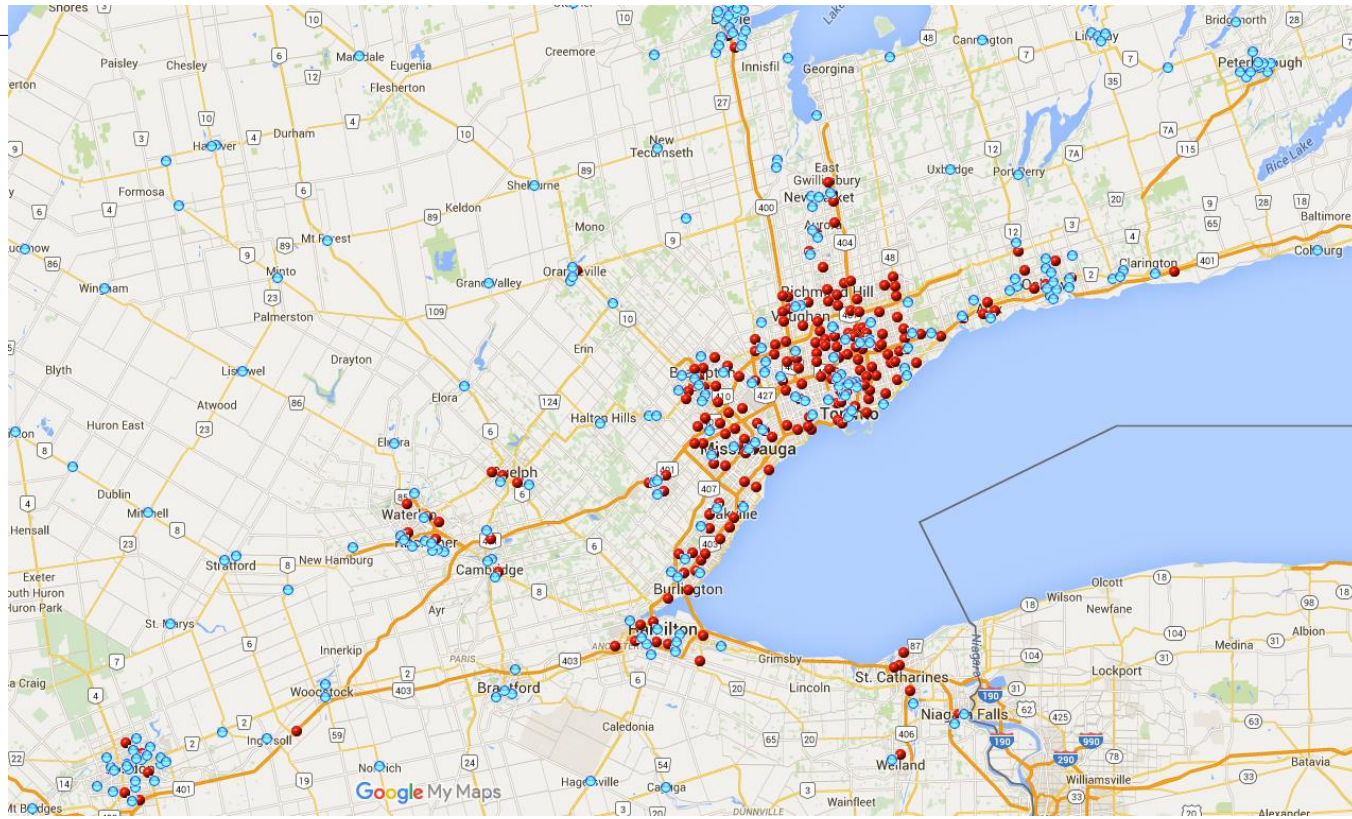
53 sites

Third Parties



176 sites

GREATER TORONTO AREA/LONDON AREA - 205 RETAIL SITES

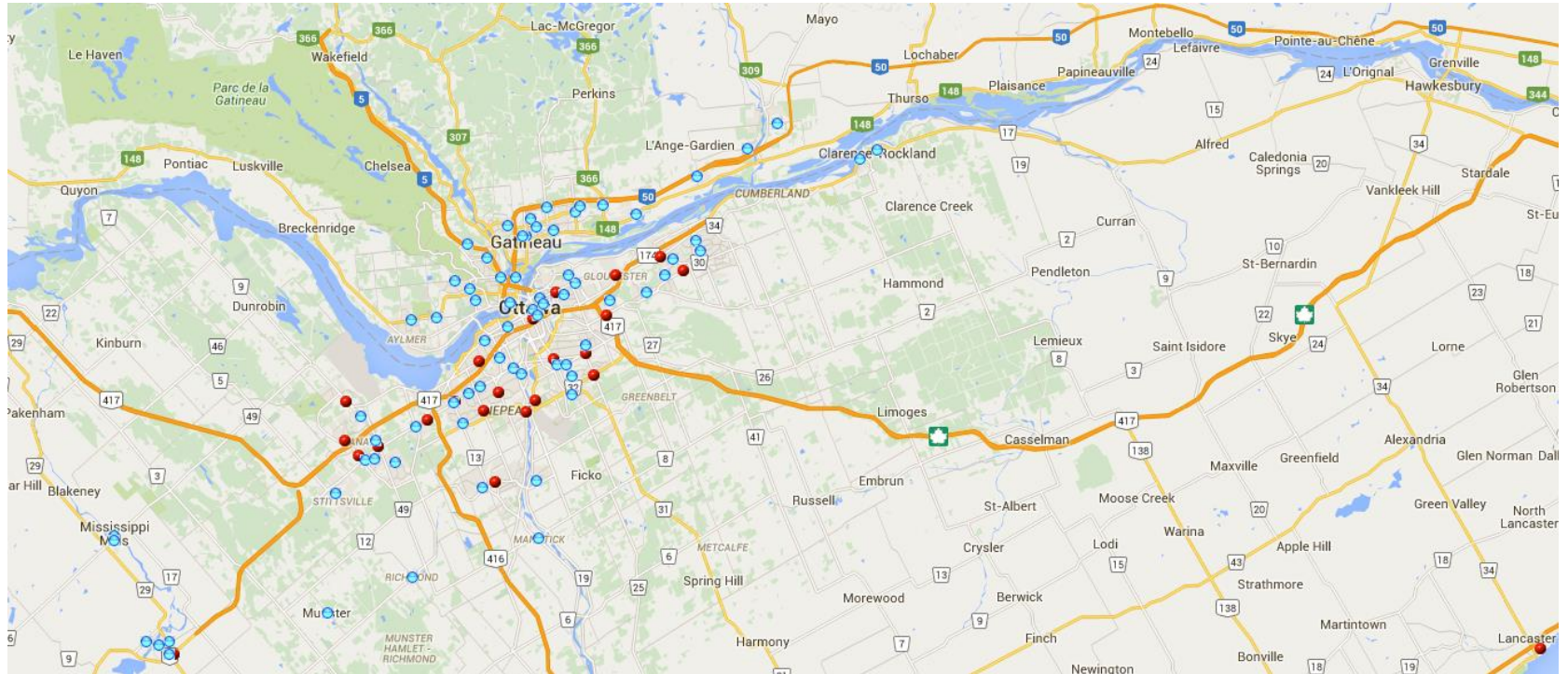


● Sites to be acquired

● Couche-Tard existing network



OTTAWA AREA - 24 RETAIL SITES

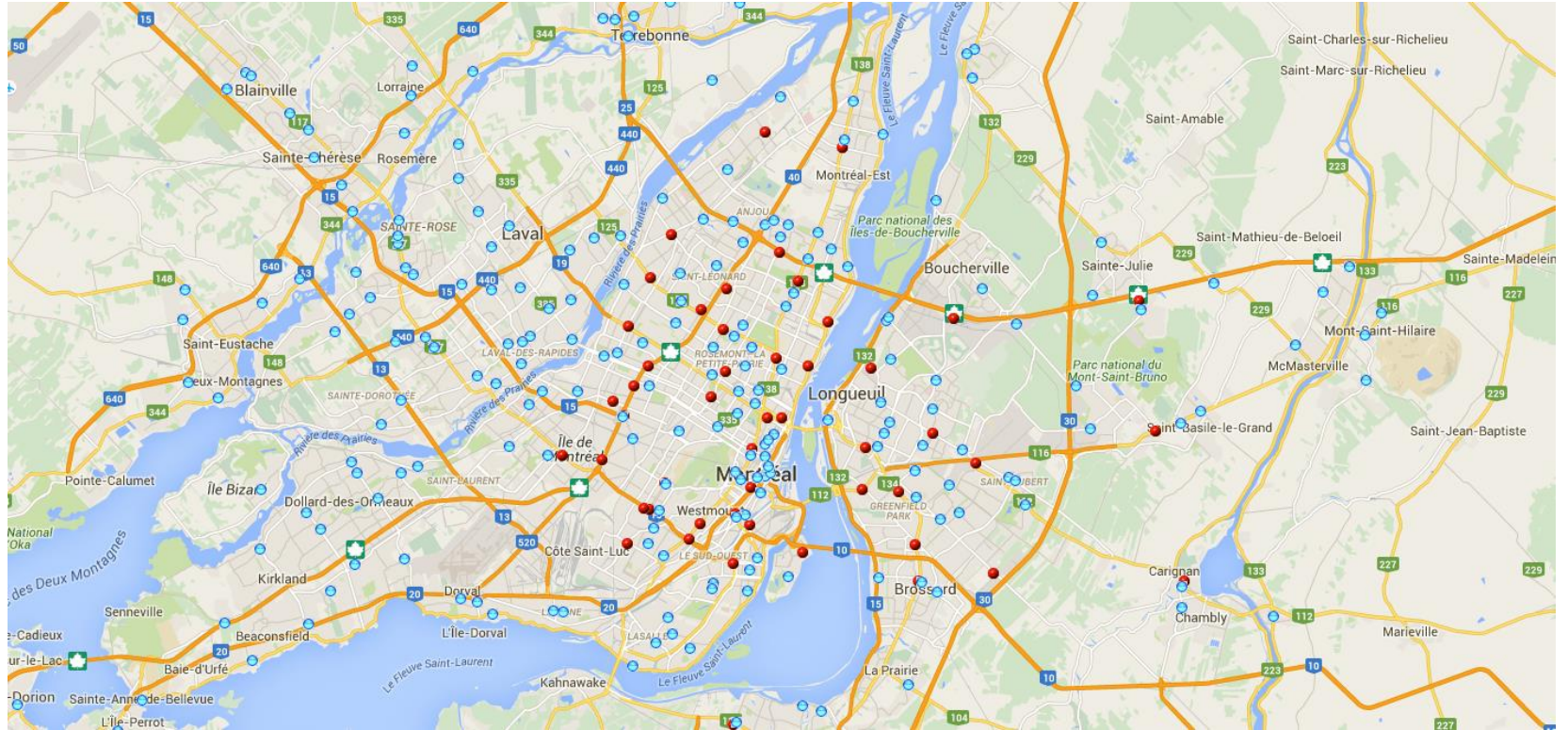


● Sites to be acquired

● Couche-Tard existing network



MONTREAL ISLAND AND MONTREAL SOUTH SHORE – 50 RETAIL SITES



● Sites to be acquired

● Couche-Tard existing network



ACQUISITION RATIONALE

- At closing, Couche-Tard's network in Canada would be comprised of more than 2,100 stores, providing Couche-Tard with even more scale and leverage to take advantage of improved merchandise supply conditions
- Unique opportunity to raise brand awareness through high profile retail sites
- Unique opportunity to operate fuel stations with strong fuel brand in areas where development occasions for such sites are very limited
 - Acquired network couldn't have been replicated
- Allows Couche-Tard to further expand its position in high-density metropolitan areas with significant growth potential
- Powerful combination of three of Canada's strongest retail brands: Couche-Tard, Esso and Tim Horton's
- Tremendous backcourt growth potential supported by industry-leading fuel throughput and high traffic generated by on-site Tim-Horton's offer
- Strong quality and value of sites
 - Modeled store-level EBITDA and cash flow more than 3x those of Couche-Tard's existing network in those areas
 - Very strong value of real estate in GTA and on the Montreal island
 - Assets in very good condition
- Minimal overlay with existing network
- Cost-efficient integration into existing infrastructure
- Strong cash flow generation and solid EPS accretion

INTEGRATION

- Backcourt to be rebranded to Circle K in Ontario and to Couche-Tard in Quebec
- Incorporate Couche-Tard's key convenience offerings
- Review convenience operations
 - Store layout
 - Product selection
 - Product placement
 - Pricing
- Swift and efficient integration into Couche-Tard's existing infrastructure
- Evaluate pro forma network and identify potential divestments

FINANCING AND BALANCE SHEET

- Transaction is expected to be financed through a mix of available cash and borrowings available under Couche-Tard's credit facilities
- Pro forma leverage ratio of 2.5*, well under Couche-Tard's usual standard and still very competitive compared to the industry
 - Investment grade credit profile not threatened
- Balance sheet capacity still very strong – Ample room and flexibility to fund capital expenditures and potential acquisitions