

Fiscal Year 2014

ALIMENTATION COUCHE-TARD INC.
MANAGEMENT DISCUSSION & ANALYSIS
52-week period ended April 27, 2014



Management's Discussion and Analysis

The purpose of this Management's Discussion and Analysis ("MD&A") is, as required by regulators, to explain management's point of view on Alimentation Couche-Tard Inc.'s ("Couche-Tard") financial condition and results of operations as well as its performance during the fiscal year ending April 27, 2014. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader's understanding of the consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By "we", "our", "us" and "the Corporation", we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars ("US dollars") and determined on the basis of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). We also use measures in this MD&A that do not comply with IFRS. When such measures are presented, they are defined and the reader is informed. This MD&A should be read in conjunction with the annual consolidated financial statements and related notes included in our 2014 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, is available on SEDAR at www.sedar.com and on our website at www.couche-tard.com/corporate.

Forward-Looking Statements

This MD&A includes certain statements that are "forward-looking statements" within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words "believe", "could", "should", "intend", "expect", "estimate", "assume" and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at July 7, 2014, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard's or the industry's outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include the effect of sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under "Business Risks" in our 2014 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In the United States, we are the largest independent convenience store operator in terms of number of company-operated stores. In Europe, we are a leader in convenience store and road transportation fuel in Scandinavian countries and in the Baltic States while we have a growing presence in Poland.

As of April 27, 2014, our network comprises 6,241 convenience stores throughout North America, including 4,756 stores with road transportation fuel dispensing. Our North-American network consists of 13 business units, including nine in the United States covering 39 states and the District of Columbia and four in Canada covering all ten provinces. More than 60,000 people are employed throughout our network and at the service offices in North America.

In Europe, we operate a broad retail network across Scandinavia (Norway, Sweden, Denmark), Poland, the Baltics (Estonia, Latvia, Lithuania) and Russia with 2,258 stores as at April 27, 2014, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated service-stations which offer road transportation fuel only. We also offer other products, including stationary energy, marine fuel, aviation fuel, lubricants and chemicals. We operate key fuel

terminals and fuel depots in eight countries. Including employees at Statoil branded franchise stations, about 17,500 people work in our retail network, terminals and service offices across Europe.

In addition, under licensing agreements, about 4,600 stores are operated under the Circle K banner in 12 other countries worldwide (China, Guam, Honduras, Hong Kong, Indonesia, Japan, Macau, Malaysia, Mexico, Philippines, Vietnam and United Arab Emirates) which brings to slightly more than 13,100 the number of sites in our network.

Our mission is to offer our clients a quick and outstanding service by developing a customized and friendly relationship while still finding ways to surprise them on a daily basis. In this regard, we strive to meet the demands and needs of our clientele based on their regional requirements. To do so, we offer consumers food and beverage items, road transportation fuel and other high-quality products and services designed to meet clients' demands in a clean and welcoming environment. Our positioning in the industry stems primarily from the success of our business model, which is based on a decentralized management structure, an ongoing comparison of best practices and operational expertise that is enhanced by our experience in the various regions of our network. Our positioning is also a result of our focus on in-store merchandise, as well as our continued investments in our stores.

Value creation

In the United States, the convenience store sector is fragmented and in a consolidation phase. We are participating in this process through our acquisitions and the market shares we gain when competitors close sites as well as by improving our offering. In Europe and Canada, the convenience store sector is often dominated by a few major players, including integrated oil companies. Some of these integrated oil companies are in the process of selling or are expected to sell their retail assets. We intend to study investment opportunities that might come to us through this process.

However, despite this context, acquisitions have to be concluded at reasonable conditions in order to create value for our Corporation and its shareholders. Therefore, we do not favour store count growth to the detriment of profitability. In addition to our participation in the consolidation phase of our sector and in the selling by integrated oil companies of their retail assets, it has to be noted that in recent years, organic contribution has played an important role in the growth of our net earnings. The on-going improvement of our offer, including fresh products, supply terms and efficiency of our business has been a highlight, especially with the absence of significant acquisitions and net growth in store count in the recent years, prior to the acquisition of Statoil Fuel & Retail. Thus, all these elements contributed to the growth in net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

Exchange Rate Data

We use the US dollar as our reporting currency which provides more relevant information given the predominance of our operations in the United States and the significant portion of our debt denominated in US dollars.

The following table sets forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	12-week periods ended		52-week periods ended		53-week periods ended
	April 27, 2014	April 28, 2013	April 27, 2014	April 28, 2013	April 29, 2012
Average for period					
Canadian Dollar ⁽¹⁾	0.9045	0.9821	0.9439	0.9966	1.0051
Norwegian Krone ⁽²⁾	0.1659	0.1749	0.1665	0.1737	-
Swedish Krone ⁽²⁾	0.1542	0.1554	0.1533	0.1513	-
Danish Krone ⁽²⁾	0.1845	0.1757	0.1805	0.1730	-
Zloty ⁽²⁾	0.3289	0.3156	0.3200	0.3117	-
Euro ⁽²⁾	1.3770	1.3104	1.3466	1.2893	-
Lats ⁽³⁾	-	1.8703	1.9002	1.8481	-
Litas ⁽²⁾	0.3989	0.3796	0.3897	0.3735	-
Ruble ⁽²⁾	0.0280	0.0325	0.0300	0.0320	-

Period end	As at April 27, 2014	As at April 28, 2013
Canadian Dollar	0.9061	0.9834
Norwegian Krone ⁽⁴⁾	0.1681	0.1734
Swedish Krone ⁽⁴⁾	0.1537	0.1543
Danish Krone ⁽⁴⁾	0.1858	0.1766
Zloty ⁽⁴⁾	0.3301	0.3163
Euro ⁽⁴⁾	1.3870	1.3170
Lats ⁽³⁾	-	1.8822
Litas ⁽⁴⁾	0.4018	0.3814
Ruble ⁽⁴⁾	0.0281	0.0322

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.

(2) Average rate for the period from February 1st, 2014 to April 30, 2014 for the 12-week period ended April 27, 2014, from May 1st, 2013 to April 30, 2014 for the 52-week period ended April 27, 2014, from February 1st, 2013 to April 30, 2013 for the 12-week period ended April 28, 2013 and from June 20, 2012 to April 30, 2013 for the 52-week period ended April 28, 2013. Calculated using the average exchange rate at the close of each day for the stated period.

(3) On January 1, 2014, Latvia changed its currency from Lats to Euro. The average rate is for the period from May 1st, 2013 to December 31, 2013 for the 52-week period ended April 27, 2014, from February 1st, 2013 to April 30, 2013 for the 12-week period ended April 28, 2013 and from June 20, 2012 to April 30, 2013 for the 52-week period ended April 28, 2013. Calculated using the average exchange rate at the close of each day for the stated period.

(4) As at April 30, 2014.

On January 1, 2014, Latvia changed its official currency from the Lats to Euro. Results from the Latvian operations prior to the conversion date were converted using the Lats exchange rates as described in footnote 3 above while results from the Latvian operations following this date were converted using Euro exchange rates. Balance sheet items from Latvian operations as at April 27, 2014 were converted using the Euro exchange rate. This change in currency did not materially affect our consolidated financial statements.

Considering we use the US dollar as our reporting currency, in our consolidated financial statements and in the present document, unless indicated otherwise, results from our Canadian, European and corporate operations are translated into US dollars using the average rate for the period. Unless otherwise indicated, variances and explanations related to variations in the foreign exchange rate and the volatility of the Canadian dollar and European currencies which we discuss in the present document are therefore related to the translation in US dollars of our Canadian, European and corporate operations results.

Fiscal 2014 Overview

On March 11, 2014, the Corporation's Board of Directors approved a three-for-one split of all of the Corporation's issued and outstanding Class "A" and "B" shares. This share split has been approved by regulatory authorities and was effective on April 14, 2014. Accordingly, all per share amounts in this document are presented on a comparable basis.

Net earnings amounted to \$812.2 million for fiscal 2014, up 41.8% over fiscal 2013. Some items affected the results of fiscal 2014, mainly negative goodwill of \$48.4 million, a non-recurring income tax recovery of \$21.6 million over a foreign exchange loss only deductible and recognized for tax purposes, a net foreign exchange loss of \$10.1 million, a \$6.8 million impairment charge over a non-operational lubricant plant in Poland, an income tax recovery of \$6.6 million over the decrease in the income tax rate in Norway and Denmark, as well as a curtailment gain on pension plans obligation. On the other hand, the results of fiscal 2013 included a non-recurring loss of \$102.9 million on foreign exchange forward contracts, a non-recurring income tax recovery of \$34.7 million, restructuring expenses of \$34.0 million, a curtailment gain on pension plans obligation of \$19.4 million, negative goodwill of \$4.4 million as well as a net foreign exchange gain of \$3.2 million.

Excluding these items as well acquisition costs from both periods, fiscal 2014 net earnings would have been approximately \$766.0 million (\$1.35 per share on a diluted basis) compared to \$621.0 million (\$1.11 per share on a diluted basis) for fiscal 2013, an increase of \$145.0 million, or 23.3%. This strong increase is mainly attributable to the contribution from acquisitions, to the growth in both same-store merchandise revenues and road transportation fuel volumes, to higher road transportation fuel margins in Europe and in Canada as well as to our continuous focus on our costs. These items, which contributed to the growth in net earnings, were partially offset by a lower road transportation fuel margin in the United States, the negative net impact from the translation of revenues and expenses from our Canadian and European operations into the United States dollar following the appreciation of the United States dollar, namely against the Canadian dollar and the Norwegian Krone as well as by lower revenues following the divestiture of our Liquid Petroleum Gas ("LPG") business in December 2012.

Statoil Fuel & Retail

Period results

Our results for the 12 and 52-week periods ended April 27, 2014 include those of Statoil Fuel & Retail for the period beginning February 1st, 2014 and ending April 30, 2014 and for the period beginning May 1st, 2013 and ending April 30, 2014, respectively. Our results for the 12 and 52-week periods ended April 28, 2013 include those of Statoil Fuel & Retail for the period beginning February 1st, 2013 and ending April 30, 2013 and for the period beginning June 20, 2012 and ending April 30, 2013, respectively. Thus, our results of the 52-week periods ended April 27, 2014 and April 28, 2013 include those of Statoil Fuel & Retail for a period of 365 and 315 days, respectively.

Our consolidated balance sheet and store count as of April 27, 2014 include Statoil Fuel & Retail's balance sheet and store count as of April 30, 2014, as adjusted for significant transactions, if any, which occurred between those two dates.

The following table provides an overview of Statoil Fuel & Retail's accounting periods that will be incorporated in our upcoming consolidated financial statements:

Couche-Tard Quarters	Statoil Fuel & Retail Equivalent Accounting Periods	Statoil Fuel & Retail Balance Sheet Date ⁽¹⁾
12-week period ending July 20, 2014 (1 st quarter of fiscal 2015)	From May 1 st , 2014 to July 20, 2014	June 30, 2014
12-week period ending October 12, 2014 (2 nd quarter of fiscal 2015)	From July 21, 2014 to October 12, 2014	September 30, 2014
16-week period ending February 1 st , 2015 (3 rd quarter of fiscal 2015)	From October 13, 2014 to October 31, 2014, November and December 2014 and January 2015	January 31, 2015
12-week period ending April 26, 2015 (4 th quarter of fiscal 2015)	February, March and April 2015	April 30, 2015

(1) The consolidated balance sheet will be adjusted for significant transactions, if any, occurring between Statoil Fuel & Retail balance sheet date and Couche-Tard balance sheet date.

We expect that the work toward the alignment of Statoil Fuel & Retail's accounting periods with those of Couche-Tard should start once we have finalized replacing Statoil Fuel & Retail financial systems, which is now scheduled to be completed at the beginning of fiscal 2015.

Synergies and cost reduction initiatives

Since the acquisition of Statoil Fuel & Retail, we have been actively working on identifying and implementing available synergies and cost reduction opportunities. Our analysis shows that opportunities are numerous and promising. Some can be implemented immediately while others may take more time to implement since they require rigorous analysis and planning. The optimization of our new ERP system in Europe will also be required before we can put in place some of the identified opportunities. The goal is to find the right balance in order not to jeopardize ongoing activities and projects already underway.

During the 12-week period ended April 27, 2014, we recorded synergies and cost savings we estimated at approximately \$21.0 million, before income taxes. These synergies and cost reductions mainly impacted operating, selling, administrative and general expenses as well as the cost of sales. Since the acquisition, we estimate that total realized annual synergies and cost savings amount to approximately \$85.0 million, before income taxes. We believe these amounts do not necessarily represent the full annual impact of all of our initiatives.

These synergies and cost reductions came from a variety of sources including cost reductions following the delisting of Statoil Fuel & Retail, the renegotiation of certain agreements with our suppliers, the reduction of in-store costs and the restructuring of certain departments.

Our work for the identification and implementation of available synergies and cost reduction opportunities is far from over. Our teams continue to work actively on various projects that seem promising and which, along with the implementation of new systems, should allow us to achieve our objectives. We therefore maintain our goal of annual synergies ranging from \$150.0 million to \$200.0 million before the end of December 2015.

As our goal previously stated is considered a forward looking statement, we are required pursuant to securities laws, to clarify that our synergies and cost reductions estimate is based on a number of important factors and assumptions. Among other things, our synergies and cost savings objective is based on our comparative analysis of organizational structures and current level of spending across our network as well as on our ability to bridge the gap, where relevant. Our synergies and cost reduction objective is also based on our assessment of current contracts in Europe and North America and how we expect to be able to renegotiate these contracts to take advantage of our increased purchasing power. In addition, our synergies and

cost reduction objective assumes that we will be able to establish and maintain an effective process for sharing best practices across our network. Finally, our objective is also based on our ability to implement effectively and timely a new ERP system. A significant change in these facts and assumptions could significantly impact our synergies and cost reductions estimate.

Issuance of Canadian dollar denominated senior unsecured notes

On August 21, 2013, we issued Canadian dollar denominated senior unsecured notes totalling CA\$300.0 million, maturing August 21st, 2020 and bearing interest at a rate of 4.214%. Interest is payable semi-annually on August 21st and February 21st of each year and notional amount will be repaid at maturity.

In addition to allowing us to spread the maturities of a portion of our long-term debt, this issuance allows us to secure the interest rate of a portion of our long-term debt at favourable rates. The net proceeds from the issuance, which were approximately CA\$298.3 million (\$285.6 million), were used to repay a portion of our acquisition facility.

Impairment

During fiscal 2014, we recorded an impairment charge of \$6.8 million for a non-operational lubricant production plant located in Ostrowiec, Poland, due to challenging market conditions for this type of asset.

Network growth

Completed transactions

In June 2013, under the June 2011 agreement with ExxonMobil, we acquired 60 stores operated by independent operators along with the related road transportation fuel supply agreements and for which we own the land and building for all sites. Additionally, we were transferred 53 road transportation fuel supply agreements in connection with this same agreement. This transaction consisted of the last stage to close the June 2011 agreement with ExxonMobil. A negative goodwill of \$41.6 million was recorded in relation with this transaction during fiscal 2014. Historically, those sites sold annually approximately 162.0 million gallons of road transportation fuel.

In September 2013, we acquired nine stores operating in Illinois, United States from Baron-Huot Oil Company. Eight of these stores are company-operated and one is operated by an independent operator. We own the land and building for eight sites while we lease these assets for the other site.

In December 2013, we completed the acquisition, from Publix Super Markets Inc., of 11 company-operated stores, nine of which are located in Florida and the other two in Georgia, United States. We own the land and buildings for eight sites and lease these assets for the other three sites.

In December 2013, we also completed the acquisition of 23 company-operated stores operating in New Mexico, United States from Albuquerque Convenience and Retail LLC. We own the land and buildings for all sites.

In June 2014, subsequent to fiscal year 2014, we acquired 15 company operated-stores operating in South Carolina, United States from Garvin Oil Company. We own the land and buildings for all sites.

In addition, during fiscal 2014, we acquired ten additional company-operated stores through distinct transactions.

Available cash was used for these acquisitions.

Store construction

We completed the construction of 25 new stores and razed and rebuilt 14 stores during fiscal 2014. As of April 27, 2014, 14 stores were under constructions and should open in the upcoming quarters.

Additional changes to our network

During the first quarter of fiscal 2014, we, along with a third-party, formed a new corporation, Circle K Asia LLC ("Circle K Asia"), in which both parties hold a 50% interest. During the 12-week period ended July 21, 2013, each party made a capital contribution of \$13.2 million. The total contribution was used to purchase a portion of Circle K's international franchise agreements as well as a master franchise in Asia. Under the contract signed between the parties, we, under certain circumstances, may repurchase all of the other party's shares in Circle K Asia. Consequently, the new corporation was fully consolidated in our consolidated financial statements and the third party's interest was recorded under "Non-controlling interest" in the consolidated statements of earnings, changes in equity and consolidated balance sheet. Furthermore, we must, under certain circumstances, repurchase all of the third-party's shares in Circle K Asia. Consequently, a redemption liability

was recorded in our consolidated balance sheet. Circle K Asia should contribute to the expansion of our licensee's network in Asia. We do not expect this transaction to have a significant impact on our financial performance.

In February, 2014, our Mexican operator, Circulo K, under its licensing agreement, has reached an agreement to acquire 878 stores in Mexico. We do not expect that this transaction will have a significant impact on our consolidated financial statements. As of April 27, 2014, this transaction has not been completed.

In May 2014, subsequent to fiscal 2014, we have completed, through Circle K Asia, a Circle K Master license agreement in India with RJ Corp for 25 years. The Circle K Master license addresses the four major Regions of India, including the major cities of Delhi, Mumbai, Goa, Gujarat, Bangalore and Madras.

Summary of changes in our stores network during the fourth quarter and fiscal 2014

The following table presents certain information regarding changes in our stores network over the 12-week period ended April 27, 2014 ⁽¹⁾:

12-week period ended April 27, 2014					
Type of site	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	Total
Number of sites, beginning of period	6,234	614	534	1,102	8,484
Acquisitions	3	-	-	-	3
Openings / constructions / additions	17	1	3	44	65
Closures / disposals / withdrawals	(23)	(2)	(7)	(21)	(53)
Store conversion	5	(4)	(1)	-	-
Number of sites, end of period	6,236	609	529	1,125	8,499
Number of automated service stations included in the period end figures ⁽⁶⁾	912	-	27	-	939

The following table presents certain information regarding changes in our stores network over the 52-week period ended April 27, 2014 ⁽¹⁾:

52-week period ended April 27, 2014					
Type of site	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	Total
Number of sites, beginning of period	6,235	579	478	1,094	8,386
Acquisitions	51	61	54	-	166
Openings / constructions / additions	41	6	28	135	210
Closures / disposals / withdrawals	(117)	(11)	(29)	(106)	(263)
Store conversion	26	(26)	(2)	2	-
Number of sites, end of period	6,236	609	529	1,125	8,499

(1) These figures include 50% of the stores operated through RDK, a joint venture.

(2) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service-stations) are operated by Couche-Tard or one of its commission agent.

(3) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service-stations) are operated by an independent operator in exchange for rent and to which Couche-Tard supplies road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.

(4) Sites controlled and operated by independent operators to which Couche-Tard supplies road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.

(5) Stores operated by an independent operator through a franchising, licensing or another similar agreement under one of our main or secondary banners.

(6) These sites sell road transportation fuel only.

In addition, under licensing agreements, about 4,600 stores are operated under the Circle K banner in 12 other countries worldwide (China, Guam, Honduras, Hong Kong, Indonesia, Japan, Macau, Malaysia, Mexico, Philippines, Vietnam and United Arab Emirates) which brings to more than 13,100 the number of sites in our network.

Dividends

The Board of Directors ("the Board") decided to increase the quarterly dividend by CA0.67¢ per share to CA4.0¢ per share, an increase of 20.0%.

During its July 7, 2014 meeting, the Board of Directors declared a quarterly dividend of CA4.0¢ per share for the fourth quarter of fiscal 2014 to shareholders on record as at July 16, 2014 and approved its payment for July 30, 2014. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

During fiscal 2014, the Board declared total dividends CA13.6¢ per share.

Outstanding shares and stock options

As at July 4, 2014, Couche-Tard had 148,101,840 Class A multiple voting shares and 417,655,558 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,505,905 outstanding stock options for the purchase of Class B subordinate voting shares.

Statement of Earnings Categories

Merchandise and Service Revenues. In-store merchandise revenues are comprised primarily of the sale of tobacco products, fresh food products, including quick service restaurants, beer/wine, grocery items, candy, snacks and various beverages. Merchandise sales in Europe also include wholesale of merchandise and goods to certain independent operators and franchisees made from our distribution center. Service revenues include fees from automatic teller machines, sales of calling cards and gift cards, revenues from car washes, the commission on sale of lottery tickets and issuance of money orders, fees for cashing cheques as well as sales of postage stamps and bus tickets. Service revenues also include franchise fees, license fees from affiliates and royalties from franchisees.

Road Transportation Fuel Revenues. We include in our revenues the total dollar amount of road transportation fuel sales, including any embedded taxes when they are included in the purchase price, if we take ownership of the road transportation fuel inventory. In the United States and in Europe, in some instances, we purchase road transportation fuel and sell it to certain independent store operators at cost plus a mark-up. We record the full value of these revenues (cost plus mark-up) as road transportation fuel revenues. Where we act as a selling agent for a petroleum distributor, only the commission we earn is recorded as revenue.

Other Income. Other income includes the sale of stationary energy, marine and aviation fuel, lubricants and chemical products. Other income also includes rent revenue from operating leases for certain land and buildings we own as well as car rental revenues.

Gross Profit. Gross profit consists mainly of revenues less the cost of merchandise and road transportation fuel sold. Cost of sales is mainly comprised of the specific cost of merchandise and road transportation fuel sold, including applicable freight less vendor rebates. For in-store merchandise, the cost of inventory is generally determined using the retail method (retail price less a normal margin), and for road transportation fuel, it is generally determined using the average cost method. The road transportation fuel gross margin for stores generating commissions corresponds to the sales commission.

Operating, Selling, Administrative and General Expenses. The primary components of operating, selling, administrative and general expenses are labour, net occupancy costs, electronic payment modes fees, commissions to dealers and overhead.

Key performance indicators used by management, which can be found under “Analysis of consolidated results for the fiscal year ended April 27, 2014 - Other Operating Data”, are merchandise and service gross margin, growth of same-store merchandise revenues, road transportation fuel gross margin and growth of same-store road transportation fuel volume, return on equity and return on capital employed.

Summary analysis of consolidated results for the fourth quarter of fiscal 2014

The following table highlights certain information regarding our operations for the 12-week periods ended April 27, 2014 and April 28, 2013.

(In millions of US dollars, unless otherwise stated)

	12-week period ended April 27, 2014	12-week period ended April 28, 2013	Change %
Revenues	8,952.3	8,776.0	2.0
Operating income	154.3	154.6	14.0
Net earnings	145.1	146.4	(0.9)

Selected Operating Data:

Merchandise and service gross margin ⁽¹⁾ :			
Consolidated	34.4%	34.3%	0.1
United States	33.1%	32.7%	0.4
Europe	42.9%	43.7%	(0.8)
Canada	32.5%	33.1%	(0.6)
Growth of same-store merchandise revenues ^{(2) (3)} :			
United States	4.4%	0.1%	
Europe	2.5%	-	
Canada	1.6%	0.9%	
Road transportation fuel gross margin:			
United States (cents per gallon) ⁽³⁾	14.85	19.30	(23.1)
Europe (cents per litre) ⁽⁴⁾	10.54	9.83	7.2
Canada (CA cents per litre) ⁽³⁾	5.86	6.01	(2.5)
Growth (decrease) of same-store road transportation fuel volume ⁽³⁾ :			
United States	2.8%	1.1%	
Europe	3.2%	-	
Canada	1.7%	(1.4%)	

(1) Includes other revenues derived from franchise fees, royalties and rebates on some purchases made by franchisees and licensees.

(2) Does not include services and other revenues (as described in footnote 1 above). Growth in Canada and Europe is calculated based on local currencies.

(3) For company-operated stores only.

(4) Total road transportation fuel.

Revenues

Our revenues were \$9.0 billion in the fourth quarter of fiscal 2014, up \$176.3 million, an increase of 2.0%, mainly attributable to the contribution from acquisitions as well as by the nice growth in same-store merchandise revenues and road transportation fuel volume in both North America and Europe. These items contributing to the growth in revenues were partly offset by lower road transportation fuel average retail prices in the United States, by the negative net impact from the translation of revenues from our Canadian and European operations into US dollars as well as by the divestiture and closure of stores as part of our continuous work to improve the quality of our network.

More specifically, the growth of merchandise and service revenues for the fourth quarter of fiscal 2014 was \$26.3 million or 1.5%. Excluding the negative impact from the translation of our European and Canadian operations into US dollars, which was approximately \$32.0 million, consolidated merchandise and service sales increased by \$58.3 million. This increase is attributable to the contribution from acquisitions which amounted to approximately \$10.0 million as well as to strong organic growth. Same-store merchandise revenues increased by 4.4% in the United States and by 1.6% in Canada. Our performance in the United States is noteworthy when compared to the performance of the convenience store industry and is attributable to our dynamic merchandising strategies as well as to the investments we made to enhance service and the offering of products in our stores. Our performance in the United States is even more impressive considering we were able to increase store traffic without investing as much in our margins as in previous quarters. In Europe, the exchange of best practices, the implementation of new and sustainable merchandising strategies as well as the investments made through extensive marketing campaigns to promote in-store offering allowed us to turn around the negative sales trend that existed when we acquired Statoil Fuel & Retail. Consequently, for a sixth consecutive quarter, same-store merchandise revenues in Europe posted a growth which was of 2.5% for the fourth quarter, driven by strong fresh food services and coffee sales.

Road transportation fuel revenues increased by \$145.9 million or 2.3% in the fourth quarter of fiscal 2014. Excluding the negative net impact from the translation of revenues from our Canadian and European operations into US dollars, which amounted to approximately \$59.0 million, road transportation fuel revenues increased by \$204.9 million or 3.2%. This increase was mainly attributable to the contribution from acquisitions of approximately \$156.0 million and to organic growth. In the

United States and in Canada, same-store road transportation fuel volume increased by 2.8% and 1.7%, respectively. This was also the sixth consecutive quarter during which same-store road transportation fuel volume showed positive development in Europe where same-store road transportation fuel volume increased by 3.2% which represents a strong improvement over the trend our that European network was posting before we acquired Statoil Fuel & Retail. Our new fuel brand “milesTM” which we launched in some of our European markets is delivering encouraging results and was again a nice contributor to this quarter performance. Organic growth and the contribution from acquisitions were partly offset by lower average road transportation fuel retail price in the United States.

On a consolidated basis, the variations in average road transportation fuel prices had a negative impact on revenues of approximately \$100.0 million. The impact of the lower average retail price of road transportation fuel in the United States was partly offset by the impact of the higher average price in Europe and in Canada as shown in the following table, starting with the first quarter of the fiscal year ended April 28, 2013:

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 27, 2014					
United States (US dollars per gallon)	3.51	3.45	3.24	3.47	3.41
Europe (US cents per litre)	100.72	103.25	107.49	104.11	104.38
Canada (CA cents per litre)	114.53	117.05	113.11	118.74	115.63
52-week period ended April 28, 2013					
United States (US dollars per gallon)	3.49	3.65	3.35	3.61	3.51
Europe (US cents per litre)	-	103.96	104.71	103.80	104.21
Canada (CA cents per litre)	112.62	117.41	110.43	115.65	113.77

Other revenues were quite stable with a slight increase of \$4.1 million in the fourth quarter of fiscal 2014.

Gross profit

In the fourth quarter of fiscal 2014, the consolidated merchandise and service gross margin was \$616.0 million, an increase of \$10.1 million or 1.7% compared with the corresponding quarter of fiscal 2013. Excluding the negative impact from the translation of our European and Canadian operations into US dollars, which was approximately \$11.0 million, consolidated merchandise and service gross margin increased by \$21.1 million or 3.5%. This increase is attributable, in part, to the contribution from acquisitions which amounted to approximately \$3.0 million. In the United States, the gross margin was up 0.4% from 32.7% to 33.1% while it decreased by 0.6% in Canada, to 32.5% and by 0.8% in Europe to 42.9%. Overall, this performance reflects changes in the product-mix, the modifications we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market. More specifically, in the United States, the increase in gross margin as a percentage of sales mainly reflects the impact of the shift of revenues toward higher margin categories, including a strong growth in fresh food. In Canada, in addition to the impact of our pricing strategies aimed at increasing store traffic, the decrease in margin as a percentage of sales was caused by changes in our product mix. In Europe, the margin as a percentage of sales was negatively impacted by lower carwash sales due to challenging weather in Scandinavia compared to the previous year, to changes in our product mix as well as to the impact of our pricing strategies to improve the value perception by our customers.

In the fourth quarter of fiscal 2014, the road transportation fuel gross margin for our company-operated stores in the United States decreased by 4.45 ¢ per gallon, from 19.30 ¢ per gallon last year to 14.85 ¢ per gallon this year. In Canada, the gross margin slightly decreased to CA5.86 ¢ per litre compared with CA6.01 ¢ per litre for the fourth quarter of fiscal 2013. In Europe, the total road transportation fuel gross margin was 10.54 ¢ per litre for the fourth quarter of fiscal 2014, an increase of 0.71 ¢ per litre compared with 9.83 ¢ per litre for the fourth quarter of fiscal 2013. The road transportation fuel gross margin of our company-operated stores in the United States as well as the impact of expenses related to electronic payment modes for the last eight quarters, starting with the first quarter of fiscal year ended April 28, 2013, were as follows:

(US cents per gallon)

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 27, 2014					
Before deduction of expenses related to electronic payment modes	19.42	21.56	17.02	14.85	18.11
Expenses related to electronic payment modes	4.99	5.04	4.79	4.98	4.94
After deduction of expenses related to electronic payment modes	14.43	16.52	12.23	9.87	13.18
52-week period ended April 28, 2013					
Before deduction of expenses related to electronic payment modes	23.20	15.20	17.80	19.30	18.77
Expenses related to electronic payment modes	4.97	5.15	4.79	5.03	4.97
After deduction of expenses related to electronic payment modes	18.23	10.05	13.01	14.27	13.80

As demonstrated by the table above, although road transportation fuel margin can be volatile from a quarter to another, they tend to normalize on an annual basis.

Operating, selling, administrative and general expenses

For the fourth quarter of fiscal 2014, operating, selling, administrative and general expenses increased by 0.8% compared with the fourth quarter of fiscal 2013 and increased by 1.5% if we exclude certain items, as demonstrated by the following table:

	12-week period ended April 27, 2014
Total variance as reported	0.8%
Subtract:	
Increase from incremental expenses related to acquisitions	0.7%
Increase from higher electronic payment fees, excluding acquisitions	0.3%
Decrease from the net impact of foreign exchange translation	(1.7%)
Remaining variance	1.5%

The variance for the fourth quarter of fiscal 2014 is mainly due higher expenses to support our organic growth and normal inflation. We continue to favour a tight control of our costs throughout the organization while making sure to maintain the quality of the service we offer our clients.

In Europe, expense level is still affected by the implementation of a new IT infrastructure and the rollout of an ERP system. Our IT costs should continue to go down progressively over the course of the next quarters.

Earnings before interests, taxes, depreciation, amortization and impairment (EBITDA) and adjusted EBITDA

During the fourth quarter of fiscal 2014, EBITDA increased by 1.5% compared to the corresponding period of the previous fiscal year, reaching \$300.2 million. Net of acquisition costs recorded to earnings, acquisitions contributed approximately \$7.0 million to EBITDA, while the variation in exchange rates had a negative impact of approximately \$5.0 million.

Excluding the restructuring expenses, the curtailment gain on certain defined benefits pension plans obligation as well as the negative goodwill from both comparable periods, the fourth quarter of fiscal 2014 adjusted EBITDA decreased by \$7.5 million or 2.4% compared to the corresponding period of the previous fiscal year, totalling \$300.0 million.

It should be noted that EBITDA and adjusted EBITDA are not performance measures defined by IFRS, but we, as well as investors and analysts, use these measures to evaluate the Corporation's financial and operating performance. Note that our definition of these measures may differ from the one used by other public corporations:

(in millions of US dollars)	12-week period ended	
	April 27, 2014	April 28, 2013
Net earnings, as reported	145.1	146.4
Add:		
Income taxes	(13.8)	(9.5)
Net financial expenses	26.9	20.7
Depreciation and amortization and impairment of property and equipment and other assets	142.0	138.1
EBITDA	300.2	295.7
Remove:		
Restructuring costs	-	34.0
Curtailment gain on pension plan obligation	-	(19.4)
Negative goodwill	(0.2)	(2.8)
Adjusted EBITDA	300.0	307.5

Depreciation, amortization and impairment of property and equipment and other assets

For the fourth quarter of fiscal 2014, depreciation, amortization and impairment expense increased due to investments made through acquisitions, replacement of equipment, addition of new stores and ongoing improvement of our network.

Net financial expenses

The fourth quarter of fiscal 2014 shows net financial expenses of \$26.9 million, an increase of \$6.2 million compared to the fourth quarter of fiscal 2013. Excluding the net foreign exchange loss of \$8.7 million and the net foreign exchange gain of \$6.8 million recorded respectively in the fourth quarter of fiscal 2014 and in the fourth quarter of fiscal 2013, the decrease in net financial expenses is \$9.3 million. The decrease is mainly attributable to the reduction of our long-term debt following

repayments we made on our revolving and acquisition facilities partly offset by the higher average effective interest rate of our senior unsecured notes compared with the average effective rate of our acquisition facility. With respect to the net foreign exchange loss of \$8.7 million, it is mainly due to the impact of the exchange rate fluctuations on certain inter-company balances and external long term debt as well as to the impact of exchange rates fluctuations on US dollars denominated sales made by our European operations.

Income taxes

The fourth quarter of fiscal 2014 shows an income tax recovery of \$13.8 million, compared to an income tax recovery of \$9.5 million for the corresponding quarter of the previous year. The income tax recovery in the fourth quarter of fiscal 2014 emanated mainly from a foreign loss only deductible and recognized for tax purposes as well as from the effect on deferred income taxes of a decrease in our statutory income tax rate in Norway and in Denmark. The income tax recovery in the fourth quarter of fiscal 2013 emanated mainly from the effect on deferred income taxes of a decrease in our statutory income tax rate in Sweden.

Excluding those items, the income tax rate for the fourth quarter of fiscal 2014 would have been 11.0% compared to a rate of 18.4% for the fourth quarter of the previous fiscal year.

Net earnings

We closed the fourth quarter of fiscal 2014 with net earnings of \$145.1 million, compared to \$146.4 million for the fourth quarter of the previous fiscal year. Diluted net earnings per share stood at \$0.25, compared to \$0.26 for the previous year. The translation of revenues from our Canadian and European operations into the US dollars had a negative impact of approximately \$3.0 million on net earnings of the fourth quarter of fiscal 2014.

Excluding from the fourth quarter of fiscal 2014 earnings the non-recurring income tax recovery on a foreign loss only deductible and recognized for tax purposes and from the decrease in our statutory tax rate in Norway and in Denmark, the net foreign exchange loss, the negative goodwill as well as acquisition costs and excluding from the fourth quarter of fiscal 2013 earnings the restructuring costs, the curtailment gain on defined benefits pension plans obligation, acquisition costs, the non-recurring income tax recovery from the decrease in our statutory income tax rate in Sweden, the negative goodwill as well as the net foreign exchange gain, the fourth quarter of fiscal 2014 net earnings would have been approximately \$123.0 million, compared to \$116.0 million, an increase of \$7.0 million. Adjusted diluted net earnings per share were \$0.22 for the fourth quarter of fiscal 2014 compared to \$0.20 for the corresponding period of fiscal 2013, an increase of 10%.

Summary analysis of consolidated results for fiscal 2014

The following table highlights certain information regarding our operations for the 52-week periods ended April 27, 2014 and April 28, 2013 and for the 53-week period ended April 29, 2012. The figures for the 52-week periods ended April 28, 2013 include those of Statoil Fuel & Retail for the period beginning June 20, 2012 and ending April 28, 2013.

(In millions of US dollars, unless otherwise stated)

	2014 52-weeks	2013 52-weeks	2012 53-weeks
Statement of Operations Data:			
Merchandise and service revenues ⁽¹⁾ :			
United States	4,818.9	4,548.6	4,408.0
Europe	1,046.8	866.1	-
Canada	2,081.5	2,181.7	2,190.9
Total merchandise and service revenues	7,947.2	7,596.4	6,598.9
Road transportation fuel revenues:			
United States	15,493.3	14,872.6	13,650.5
Europe	8,824.9	7,537.9	-
Canada	2,890.6	2,860.8	2,724.9
Total road transportation fuel revenues	27,208.8	25,271.3	16,375.4
Other revenues ⁽²⁾ :			
United States	14.7	6.6	5.5
Europe	2,784.8	2,668.6	-
Canada	1.1	0.5	0.5
Total other revenues	2,800.6	2,675.7	6.0
Total revenues	37,956.6	35,543.4	22,980.3
Merchandise and service gross profit ⁽¹⁾ :			
United States	1,575.8	1,505.9	1,452.6
Europe	437.4	359.6	-
Canada	689.3	733.0	729.8
Total merchandise and service gross profit	2,702.5	2,598.5	2,182.4
Road transportation fuel gross profit:			
United States	796.1	782.5	637.9
Europe	928.8	719.1	-
Canada	163.5	162.6	148.8
Total road transportation fuel gross profit	1,888.4	1,664.2	786.7
Other revenues gross profit ⁽²⁾ :			
United States	14.7	6.6	5.5
Europe	384.6	339.8	-
Canada	1.1	0.5	0.5
Total other revenues gross profit	400.4	346.9	6.0
Total gross profit	4,991.3	4,609.6	2,975.1
Operating, selling, administrative and general expenses	3,423.1	3,239.6	2,162.5
Restructuring costs	-	34.0	-
Curtailment gain on defined benefits pension plans obligation	(0.9)	(19.4)	-
Negative goodwill	(48.4)	(4.4)	(6.9)
Depreciation, amortization and impairment of property and equipment and other assets	583.2	521.1	239.8
Operating income	1,034.3	838.7	579.7
Net earnings	812.2	572.8	457.6
Other Operating Data:			
Merchandise and service gross margin ⁽¹⁾ :			
Consolidated	34.0%	34.2%	33.1%
United States	32.7%	33.1%	33.0%
Europe	41.8%	41.5%	-
Canada	33.1%	33.6%	33.3%
Growth of same-store merchandise revenues ⁽³⁾⁽⁴⁾ :			
United States	3.8%	1.0%	2.7%
Europe	1.6%	-	-
Canada	1.9%	2.0%	2.8%
Road transportation fuel gross margin :			
United States (cents per gallon) ⁽⁴⁾	18.11	18.77	16.99
Europe (cents per litre) ⁽⁵⁾	10.94	9.88	-
Canada (CA cents per litre) ⁽⁴⁾	5.98	5.84	5.45
Volume of road transportation fuel sold ⁽⁵⁾ :			
United States (millions of gallons)	4,611.5	4,276.2	3,896.2
Europe (millions of litres)	8,488.4	7,281.1	-
Canada (millions of litres)	2,920.9	2,819.9	2,713.5
Growth of (decrease in) same-store road transportation fuel volume ⁽⁴⁾ :			
United States	1.7%	0.6%	0.1%
Europe	2.5%	-	-
Canada	1.3%	0.0%	(0.9%)
Per Share Data:			
Basic net earnings per share (dollars per share)	1.44	1.03	0.85
Diluted net earnings per share (dollars per share)	1.43	1.02	0.83

	April 27, 2014	April 28, 2013	April 29, 2012
Balance Sheet Data:			
Total assets	10,545.0	10,546.2	4,376.8
Interest-bearing debt	2,606.4	3,605.1	665.2
Shareholders' equity	3,962.4	3,216.7	2,174.6
Indebtedness Ratios:			
Net interest-bearing debt/total capitalization ⁽⁶⁾	0.35 : 1	0.48 : 1	0.14 : 1
Net interest-bearing debt/Adjusted EBITDA ⁽⁷⁾	1.32 : 1	1.99 : 1 ⁽⁸⁾	0.43 : 1
Adjusted net interest bearing debt/Adjusted EBITDAR ⁽⁹⁾	2.44 : 1	3.06 : 1 ⁽⁸⁾	2.11 : 1
Returns:			
Return on equity ⁽¹⁰⁾	22.6%	21.5% ⁽⁸⁾	22.0%
Return on capital employed ⁽¹¹⁾	13.3%	11.0% ⁽⁸⁾	19.0%

(1) Includes revenues derived from franchise fees, royalties, suppliers rebates on some purchases made by franchisees and licensees as well as merchandise wholesale.

(2) Includes revenues from rental of assets, from sale of aviation and marine fuel, heating oil, kerosene, lubricants, chemicals and Liquefied Petroleum Gas ("LPG") operations. LPG operations were sold in December 2012.

(3) Does not include services and other revenues (as described in footnote 1 above). Growth in Canada is calculated based on Canadian dollars. Growth in Europe is calculated based on Norwegian Kroner.

(4) For company-operated stores only.

(5) Total road transportation fuel.

(6) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by the addition of shareholders' equity and long-term debt, net of cash and cash equivalents and temporary investments. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

(7) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by EBITDA (Earnings Before Interest, Tax, Depreciation, Amortization and Impairment) adjusted for restructuring expenses, curtailment gain on certain defined benefits pension plans obligation and negative goodwill. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

(8) This ratio is presented on a pro forma basis. It includes Couche-Tard's results for fiscal year ended April 28, 2013 as well as Statoil Fuel & Retail's results for the 12-month period ended April 30, 2013. Statoil Fuel & Retail balance sheet and earnings have been adjusted to make their presentation in line with Couche-Tard's policies and for fair value adjustments to assets acquired, including goodwill, and to liabilities assumed.

(9) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt plus the product of eight times rent expense, net of cash and cash equivalents and temporary investments divided by EBITDAR (Earnings Before Interest, Tax, Depreciation, Amortization, Impairment and Rent expense) adjusted for restructuring costs, curtailment gain on certain defined benefits pension plans obligation as well as negative goodwill. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

(10) This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity for the corresponding period. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

(11) This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed for the corresponding period. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

Revenues

Our revenues were \$38.0 billion in fiscal 2014, up \$2.4 billion, an increase of 6.8%, mainly attributable to the contribution from acquisitions as well as by the growth in same-store merchandise revenues and road transportation fuel volume in both North America and Europe. These items contributing to the growth in revenues were partly offset by the divestiture of our European Liquefied Petroleum Gas (“LPG”) business in December 2012, to lower average road transportation fuel retail prices in the United States as well as to the negative net impact from the translation of revenues from our Canadian and European operations into US dollars.

More specifically, the growth of merchandise and service revenues for fiscal 2014 was \$350.8 million or 4.6%. Excluding the negative impact from the translation of our European and Canadian operations into US dollars, which was approximately \$91.0 million, consolidated merchandise and service sales increased by \$441.8 million. This increase is attributable to the contribution from acquisitions which amounted to approximately \$309.0 million as well as to organic growth. Same-store merchandise revenues increased by 3.8% in the United States and 1.9% in Canada. Those increases in same-store merchandise sales are attributable to our merchandising strategies, to the economic conditions in each of these two markets as well as to the investments we made to enhance service and the offering of products in our stores. For a large part of the fiscal year, we favoured pricing strategies aimed at boosting in-store traffic which helped us gain momentum in terms of transactions count while the fresh food category continued to post a nice growth in several of our markets. In Europe, the exchange of best practices, the implementation of new and sustainable merchandising strategies as well as the investments made through extensive marketing campaigns to promote in-store offering allowed us to turn around the negative sales trend that existed when we acquired Statoil Fuel & Retail. As a consequence, same-store merchandise revenues in Europe posted a growth of 1.6% for fiscal 2014, driven by strong fresh food and coffee sales.

Road transportation fuel revenues increased by \$1.9 billion or 7.7% in fiscal 2014. Excluding the negative net impact from the translation of revenues from our Canadian and European operations into US dollars which amounted to approximately \$110.0 million, road transportation fuel revenues increased by \$2.0 billion or 8.1%. Acquisitions contributed to an increase in revenues of approximately \$2,563.0 million while same-store road transportation fuel volume increased by 1.7% in the United States, by 2.5% in Europe and by 1.3% in Canada. In Europe, this same-store road transportation fuel volume increase is a strong improvement over the trend our European network was posting before we acquired Statoil Fuel & Retail. Our new fuel brand “*miles*™” which we launched in some of our European markets is delivering encouraging results and was a nice contributor to this fiscal year performance. Items that contributed to the increase were partly offset by the lower average retail price of road transportation fuel in the United States as well as by the divestiture and closure of stores as part of our continuous work to improve the quality of our network. Overall, the variations in road transportation fuel average prices had a negative impact on revenues of approximately \$372.0 million. The impact of the lower average retail price of road transportation fuel in the United States was partly offset by the impact of the higher average price in Europe and in Canada as shown in the following table, starting with the first quarter of the fiscal year ended April 28, 2013:

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 27, 2014					
United States (US dollars per gallon)	3.51	3.45	3.24	3.47	3.41
Europe (US cents per litre)	100.72	103.25	107.49	104.11	104.38
Canada (CA cents per litre)	114.53	117.05	113.11	118.74	115.63
52-week period ended April 28, 2013					
United States (US dollars per gallon)	3.49	3.65	3.35	3.61	3.51
Europe (US cents per litre)	-	103.96	104.71	103.80	104.21
Canada (CA cents per litre)	112.62	117.41	110.43	115.65	113.77

Other revenues increased by \$124.9 million in fiscal 2014, mostly attributable to the contribution from acquisitions, partially offset by the divestiture of our European LPG business in December 2012.

Gross profit

In fiscal 2014, the consolidated merchandise and service gross margin was \$2,702.5 million, an increase of \$104.0 million or 4.0% compared with fiscal 2013. Excluding the negative impact from the translation of our European and Canadian operations into US dollars, which was approximately \$11.0 million, consolidated merchandise and service gross margin increased by \$115.0 million. This increase is attributable to the contribution from acquisitions which amounted to approximately \$118.0 million, partly offset by the impact of our pricing strategies. In the United States, the gross margin was down 0.4% to 32.7% while it decreased by 0.5% in Canada, to 33.1%. Gross margin increased by 0.3% in Europe to 41.8%. Overall, this performance reflects changes in the product-mix, the modifications we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market. In North America, the decrease in the margin as a percentage of sales mainly reflects the impact of our pricing strategies aimed at increasing store

traffic which had a favourable impact on revenues but brought the margin percentage down. However, on a net basis, this strategy had an overall positive impact since the merchandise and service gross profit shows a healthy increase. In Europe, the increase in margin as a percentage of sales is the result of changes in our product mix as well as to the impact of our pricing strategies to improve the value perception by our customers.

The road transportation fuel gross margin for our company-operated stores in the United States decreased by 0.66 ¢ per gallon, from 18.77 ¢ per gallon during fiscal 2013 to 18.11 ¢ per gallon in fiscal 2014. In Canada, the gross margin was CA5.98¢ per litre for fiscal 2014 compared with CA5.84 ¢ per litre for fiscal 2013. In Europe, the total road transportation fuel gross margin was 10.94 ¢ per litre for fiscal 2014, a strong increase of 1.07 ¢ per litre compared with 9.88 ¢ per litre for fiscal 2013. The road transportation fuel gross margin of our company-operated stores in the United States as well as the impact of expenses related to electronic payment modes for the last eight quarters, starting with the first quarter of fiscal year ended April 28, 2013, were as follows:

(US cents per gallon)

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 27, 2014					
Before deduction of expenses related to electronic payment modes	19.42	21.56	17.02	14.85	18.11
Expenses related to electronic payment modes	4.99	5.04	4.79	4.98	4.94
After deduction of expenses related to electronic payment modes	14.43	16.52	12.23	9.87	13.18
52-week period ended April 28, 2013					
Before deduction of expenses related to electronic payment modes	23.20	15.20	17.80	19.30	18.77
Expenses related to electronic payment modes	4.97	5.15	4.79	5.03	4.97
After deduction of expenses related to electronic payment modes	18.23	10.05	13.01	14.27	13.80

As demonstrated by the table above, although road transportation fuel margin can be volatile from a quarter to another, they tend to normalize on an annual basis.

Operating, selling, administrative and general expenses

For fiscal 2014, operating, selling, administrative and general expenses increased by 5.7% compared with fiscal 2013, but increased by only 0.2% if we exclude certain items, as demonstrated by the following table:

Total variance as reported	5.7%
Subtract:	
Increase from incremental expenses related to acquisitions	6.6%
Decrease from divestiture of LPG business	(0.1%)
Increase from higher electronic payment fees, excluding acquisitions	0.3%
Decrease from the net impact of foreign exchange translation	(1.2%)
Acquisition costs recognized to earnings of fiscal 2013	(0.1%)
Remaining variance	0.2%

The remaining variance for fiscal 2014 comes from higher expenses to support our organic growth and normal inflation, partly offset by sound management of our expenses across our operations as well as from the impact of synergies. We continue to favour a tight control of our costs throughout the organization while making sure to maintain the quality of the service we offer our clients.

In Europe, expense level is still affected by the implementation of a new IT infrastructure and the rollout of an ERP system. Our IT costs should continue to go down progressively over the course of the next quarters.

Earnings before interests, taxes, depreciation, amortization and impairment (EBITDA) and adjusted EBITDA

During fiscal 2014, EBITDA increased by 19.2% compared to the previous fiscal year, reaching \$1,640.2 million. Net of acquisition costs recorded to earnings, acquisitions contributed approximately \$153.0 million to EBITDA, while the variation in exchange rates had a negative impact of approximately \$11.0 million.

Excluding the restructuring expenses, the curtailment gain on certain defined benefits pension plans obligations as well as the negative goodwill from both comparable periods, fiscal 2014 adjusted EBITDA increased by \$205.1 million or 14.8% compared to the corresponding period of the previous fiscal year, reaching \$1,590.9 million.

It should be noted that EBITDA and adjusted EBITDA are not performance measures defined by IFRS, but we, as well as investors and analysts, use these measures to evaluate the Corporation's financial and operating performance. Note that our definition of these measures may differ from the one used by other public corporations:

(in millions of US dollars)	52-weeks periods ended	
	April 27, 2014	April 28, 2013
Net earnings, as reported	812.2	572.8
Add:		
Income taxes	134.2	73.9
Net financial expenses	110.6	207.8
Depreciation and amortization and impairment of property and equipment and other assets	583.2	521.1
EBITDA	1,640.2	1,375.6
Remove:		
Restructuring costs	-	34.0
Curtailment gain on pension plan obligation	(0.9)	(19.4)
Negative goodwill	(48.4)	(4.4)
Adjusted EBITDA	1,590.9	1,385.8

Depreciation, amortization and impairment of property and equipment and other assets

For fiscal 2014, depreciation, amortization and impairment expense increased due to an impairment charge of \$6.8 million on a non-operational lubricant production plant as well as to investments made through acquisitions, replacement of equipment, addition of new stores and ongoing improvement of our network.

During fiscal 2014, we have completed the analysis of the remaining useful lives of Statoil Fuel & Retail property and equipment in order to modify the depreciation periods accordingly. Based on our analysis, we concluded that the modification of depreciation periods would reduce the depreciation expense but the final results are not significantly different from the preliminary estimates reflected in the depreciation expense of the previous year.

Net financial expenses

For fiscal 2014, we recorded net financial expenses of \$110.6 million compared to \$207.8 million for the comparable period of fiscal 2013. Excluding the net foreign exchange loss of \$10.1 million and the net foreign gain of \$3.2 million recorded respectively in fiscal 2014 and in fiscal 2013 as well as the \$102.9 million non-recurring loss on foreign exchange forward contracts recorded in fiscal 2013, fiscal 2014 posted net financial expenses of \$100.5 million, down \$7.6 million compared to fiscal 2013. The decrease is mainly due to the reduction in our long-term debt following repayments we made on our acquisition facility partly offset by the higher average effective interest rate of our senior unsecured notes compared with the average effective rate of our acquisition facility as well as by the fact that fiscal 2013 did not include a complete year of the financing costs related to the acquisition of Statoil Fuel & Retail.

Income taxes

The income tax rate for fiscal 2014 was 14.2%, compared to 11.4% for the previous fiscal year. The income tax rate for fiscal 2014 was impacted by the effect on deferred taxes of a foreign loss only deductible and recognized for tax purposes as well as by a decrease in our statutory income tax rates in Norway and in Denmark. The income tax rate for fiscal 2013 was impacted by the effect on deferred income taxes of a decrease in our statutory income tax rate in Sweden. Excluding those non-recurring items, as well as the negative goodwill recorded in the first quarter of fiscal 2014, the income tax rate for fiscal 2014 would have been 15.5% compared to an income tax rate of 16.8% for fiscal 2013.

Net earnings

We closed fiscal 2014 with net earnings of \$812.2 million, compared to \$572.8 million for the previous fiscal year, an increase of \$239.4 million or 41.8%. Diluted net earnings per share stood at \$1.43 compared to \$1.02 the previous year, an increase of 40.2%. The translation of revenues from our Canadian and European operations into the US dollars had a negative impact of approximately \$8.0 million on net earnings of fiscal 2014.

Excluding from net earnings of fiscal 2014 the negative goodwill, the net foreign exchange loss, the non-recurring income tax recovery on a foreign exchange loss only deductible and recognized for tax purposes and from the decrease in income tax rate in Norway and Denmark, the impairment charge on a non-operational lubricant plant in Poland, the curtailment gain on pension plans obligation as well as acquisition costs and excluding from net earnings of fiscal 2013 the non-recurring loss on forwards, the non-recurring income tax recovery over the decrease in income tax rate in Sweden, the restructuring expense, the curtailment gain on pension plans obligation, the net foreign exchange gain, the negative goodwill as well as acquisition costs, net earnings would have stood at approximately \$766.0 million, up \$145.0 million or 23.3%, while diluted earnings per share would have stood at approximately \$1.35, an increase of 21.6%.

Financial Position as at April 27, 2014

As shown by our indebtedness ratios included in the “Selected Consolidated Financial Information” section and our net cash provided by operating activities, our financial position is excellent.

Our total consolidated assets amounted to \$10.5 billion as at April 27, 2014, a decrease of \$1.2 million over the balance as at April 28, 2013. This decrease stems primarily from the negative impact of the net appreciation of the US dollar compared to the functional currencies of our operations in Canada and Europe at the balance sheet date, partly offset by the overall rise in assets resulting from the acquisitions we made during fiscal 2014 as well as from the increase in accounts receivable.

During the 52-week period ended on April 27, 2014, we recorded a return on capital employed of 13.3%¹.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable increased by \$110.4 million, from \$1,616.0 million as at April 28, 2013 to \$1,726.4 million as at April 27, 2014. The increase mainly stems from timing effects and increased road transportation fuel sales to third parties.

Long-term debt and current portion of long-term debt

Long-term debt decreased by \$998.7 million, from \$3,605.1 million as at April 28, 2013 to \$2,606.4 million as at April 27, 2014, partly as a result of the impact of the weakening of the Canadian dollar against the United States dollar, which was approximately \$92.0 million. Excluding the foreign exchange impact, our long-term debt decreased by approximately \$906.7 million. In August 2013, we issued CA\$300.0 million Canadian dollar denominated senior unsecured notes for net proceeds of US\$285.6 million. Subsequently, we repaid approximately \$1,200.0 million of our acquisition and revolving facilities from the net proceeds of this issuance as well as from available cash. As a result, our debt, net of cash and cash equivalents, amounted to \$2,095.3 million as at April 27, 2014, a reduction of \$851.5 million compared to the balance as at April 28, 2013.

Other financial liabilities

Other financial liabilities increased by \$53.5 million, from \$20.4 million as at April 28, 2013 to \$73.9 million as at April 27, 2014. The increase stems from the change in fair value of our cross-currency interest rate swaps, which is determined based on market rates obtained from our financial institutions for similar financial instruments. Change in fair value of this financial instrument is recorded in other comprehensive income and partly offset the impact of the conversion of our Canadian denominated long-term debt.

Shareholders' Equity

Shareholders' equity amounted to \$4.0 billion as at April 27, 2014, up \$745.7 million compared to April 28, 2013, mainly reflecting net earnings of fiscal 2014, partly offset by dividends declared and other comprehensive loss. For the 52-week period ended April 27, 2014, we recorded a return on equity of 22.6%².

Liquidity and Capital Resources

Our principal sources of liquidity are our net cash provided by operating activities and our credit facilities. Our principal uses of cash are to reimburse our debt, finance our acquisitions and capital expenditures, pay dividends, as well as provide for working capital. We expect that cash generated from operations and borrowings available under our revolving unsecured credit facilities will be adequate to meet our liquidity needs in the foreseeable future.

¹ This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. It includes Couche-Tard's results for the four quarters of fiscal year ending April 27, 2014.

² This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. It includes Couche-Tard's results for the four quarters of fiscal year ending April 27, 2014.

Our revolving credit facilities are detailed as follows:

US dollar term revolving unsecured operating credit D, maturing in December 2017

Credit agreement consisting of a revolving unsecured facility of a maximum amount of \$1,275.0, with an initial term of five years. On November 4, 2013, we extended the term of this agreement by one year. As at April 27, 2014, \$793.5 million of our revolving unsecured operating credit D had been used. As at the same date, the effective interest rate was 1.19% and standby letters of credit in the amount of CA\$2.3 million and \$29.4 million were outstanding.

On May 16, 2014, subsequent to the end of the year, we amended our term revolving unsecured operating credits D to increase the maximum amount available from \$1,275.0 million to \$1,525.0 million, an increase of \$250.0 million, without incurring additional fee. All other terms remain unchanged.

Term revolving unsecured operating credit E, maturing in December 2016

Credit agreement consisting of a revolving unsecured facility of an initial maximum amount of \$50.0 with an initial term of 50 months. The credit facility is available in the form of a revolving unsecured operating credit, available in US dollars. The amounts borrowed bear interest at variable rates based on the US base rate or the LIBOR rate plus a variable margin. As at April 27, 2014, the term revolving unsecured operating credit E was unused.

Available liquidities

As at July 4, 2014, following the amended to our term revolving unsecured operating credits D, a total of approximately \$750.0 million were available under our revolving unsecured credit facilities and we were in compliance with the restrictive covenants and ratios imposed by the credit agreements at that date. Thus, at the same date, we had access to approximately \$1.3 billion through our available cash and revolving unsecured operating credit agreements.

Selected Consolidated Cash Flow Information

	52-week periods ended		
	April 27, 2014	April 28, 2013	Variation
(In millions of US dollars)			
Operating activities			
Net cash provided by operating activities	1,429.3	1,161.4	267.9
Investing activities			
Purchase of property and equipment and other assets, net of proceeds from the disposal of property and equipment and other assets	(459.0)	(486.9)	28.0
Business acquisitions	(159.6)	(2,644.6)	2,485.0
Proceeds from sale and lease back transaction	-	30.3	(30.3)
Net settlement of foreign exchange forward contracts	-	(86.4)	86.4
Other	20.6	1.1	19.4
Net cash used in investing activities	(598.0)	(3,186.5)	2,588.5
Financing activities			
Repayment of the acquisition facility	(1,648.0)	(995.5)	(652.5)
Net increase (decrease) in other debt	431.3	(314.5)	745.8
Issuance of Canadian dollar denominated senior unsecured notes, net of financing costs	285.6	997.5	(711.9)
Dividends	(64.6)	(55.6)	(9.0)
Issuance of shares upon exercise of stock-options	9.4	8.1	1.3
Borrowings under the acquisition facility, net of financing costs	-	3,190.2	(3,190.2)
Repayment of non-current debt assumed on business acquisition	-	(800.5)	800.5
Issuance of shares on public offering, net of issuance costs	-	333.4	(333.4)
Net cash (used in) provided by financing activities	(986.3)	2,363.1	(3,349.4)
Credit rating			
Standard and Poor's	BBB-	BBB-	
Moody's ⁽¹⁾	Baa3	Baa3	

(1) Moody's credit rating for Couche-Tard's senior unsecured notes

Operating activities

During fiscal 2014, net cash from our operations reached \$1,429.3 million, up \$267.9 million compared to fiscal year 2013, mainly due to higher net earnings not taking into account non-cash items, including depreciation, amortization and impairment of property and equipment and other assets, as well as negative goodwill.

Investing activities

During fiscal 2014, investing activities were primarily for net investment in property and equipment and other assets which amounted to \$459.0 million and for acquisitions for an amount of \$159.6 million. Following the closing of the business acquisition transaction with ExxonMobil, an amount of \$20.6 million placed in escrow was repaid to us during fiscal 2014.

Net investments in property and equipment and other assets were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, the addition of new stores, the ongoing improvement of our network as well as for information technology.

Financing activities

During fiscal 2014, we repaid an amount of \$1,648.0 million under our acquisition facility using amounts drawn from our operating credits, the net proceeds from the issuance of Canadian dollar denominated senior unsecured notes as well as available cash. During fiscal year, an amount of \$903.0 million was drawn from our operating credit, of which, \$455.0 million was repaid using available cash, for a net increase of \$448.0 million. During the same period, we paid \$64.6 million in dividends.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual obligations as at April 27, 2014 ⁽¹⁾:

	2015	2016	2017	2018	2019	Thereafter	Total
	(in millions of US dollars)						
Long-term debt ⁽²⁾	1.8	555.0	2.5	1,065.3	2.2	906.1	2,532.9
Finance lease obligations	19.6	32.5	11.5	5.9	5.4	28.6	103.5
Operating lease obligations	321.4	294.3	269.6	243.4	214.2	1,060.6	2,403.8
Total	342.8	881.8	283.6	1,314.9	221.8	1,995.3	5,040.2

(1) The summary does not include the payments required under defined benefit pension plans.

(2) Does not include future interest payments.

Long-Term Debt. As at April 27, 2014, our long-term debt reached \$2,606.4 million, the details of which are as follow:

- i. Borrowing of \$552.3 million under our acquisition facility denominated in US dollars, maturing in June 2015. The effective interest rate was 2.38% as at April 27, 2014.
- ii. Canadian dollar denominated senior unsecured notes totalling \$1,172.7 million, divided into four tranches:
 - a. Tranche 1 with a notional amount of CA\$300.0 million, maturing on November 1st, 2017, bearing interest at 2.861%
 - b. Tranche 2 with a notional amount of CA\$450.0 million, maturing on November 1st, 2019 bearing interest at 3.319%
 - c. Tranche 3 with a notional amount of CA\$250.0 million, maturing on November 1st, 2022 bearing interest at 3.899%.
 - d. Tranche 4 with a notional amount of CA\$300.0 million, maturing on August 21st, 2020 bearing interest at 4.214%.
- iii. US Dollar denominated borrowings of \$793.5 million under our revolving unsecured operating credits denominated in US dollars, maturing in December 2017. The effective interest rate was 1.19% as at April 27, 2014. Standby letters of credit in the amount of CA\$2.1 million and \$29.4 million were outstanding as at April 27, 2014.
- iv. Floating-rate bonds denominated in NOK totalling \$2.5 million, maturing in February 2017. As at April 27, 2014, the effective interest rate was 5.04%.
- v. Fixed-rate bonds denominated in NOK totalling \$2.2 million, maturing in February 2019, bearing interest at 5.75%.
- vi. Other long-term debts of \$83.2 million, including obligations related to building and equipment under finance leases.

Finance Leases and Operating Leases Obligations. We lease an important portion of our real estate using conventional operating leases and finance leases mainly for the rental of stores, land, equipment and office buildings. Generally our real estate leases in Canada are for primary terms of five to ten years and in the United States, they are for ten to 20 years, in both cases, usually with options to renew. In Europe, the lease terms range from short-term contracts to contracts with maturities up to 100 years and most lease contracts include options to renew at market prices. When leases are determined to be operating leases, obligations and related assets are not included in our consolidated balance sheets. Under certain of the store leases, we are subject to additional rent based on store revenues as well as future escalations in the minimum lease amount. When leases are determined to be finance leases, obligations and related assets are included in our consolidated balance sheets. When possible, we will favor purchasing our assets rather than leasing them.

Contingencies. Various claims and legal proceedings have been initiated against us in the normal course of our operations and through acquisitions. Although the outcome of such matters is not predictable with assurance, we have no reason to believe that the outcome of any such current matter could reasonably be expected to have a materially adverse impact on our financial position, results of operations or the ability to carry on any of our business activities.

We are covered by insurance policies that have significant deductibles. At this time, we believe that we are adequately covered through the combination of insurance policies and self-insurance. Future losses which exceed insurance policy limits or, under adverse interpretations, are excluded from coverage would have to be paid out of general corporate funds. In association with our workers' compensation policies, we issue letters of credit as collateral for certain policies.

Guarantees. We assigned a number of lease agreements for premises to third parties. Under some of these agreements, we retain ultimate responsibility to the landlord for payment of amounts under the lease agreements should the sub lessees fail to pay. As at April 27, 2014, the total future lease payments under such agreements are approximately \$2.1 million and the fair value of the guarantee is not significant. Historically, we have not made any significant payments in connection with these indemnification provisions. In Europe, we have issued guarantees to third parties and on behalf of third parties for maximum undiscounted future payments totalling \$20.3 million. These guarantees primarily relate to financial guarantee commitments for car rental agreements and on behalf of retailers in Sweden. Guarantees on behalf of retailers in Sweden comprise items such as guarantees towards retailer's car washes, store inventory, in addition to guarantees towards suppliers of electricity and heating. The carrying amount and fair value of the guarantee commitments recognized in the balance sheet at April 27, 2014 were not significant.

We also issue surety bonds for a variety of business purposes, including bonds for taxes, lottery sales, wholesale distribution and alcoholic beverage sales. In most cases, a municipality or state governmental agency, as a condition of operating a store in that area, requires the surety bonds.

Other commitments. We have entered into various product purchase agreements which require us to purchase minimum amounts or quantities of merchandise and road transportation fuel annually. We have generally exceeded such minimum requirements in the past and expect to continue doing so for the foreseeable future. Failure to satisfy the minimum purchase requirements could result in termination of the contracts, change in pricing of the products, payments to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received.

Off-Balance Sheet Arrangements

In the normal course of business, we finance some of our off-balance sheet activities through operating leases for properties on which we conduct our retail business. Our future commitments are included under "Operating Lease Obligations" in the table above.

Selected Quarterly Financial Information

The Corporation's 52-week reporting cycle is divided into quarters of 12 weeks each except for the third quarter, which comprises 16 weeks. When a fiscal year, such as fiscal 2012, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from the Corporation's interim consolidated financial statements for each of the eight most recently completed quarters.

(In millions of US dollars except for per share data)	52-week period ended April 27, 2014				52-week period ended April 28, 2013			
	4 th	3 rd	2 nd	1 st	4 th	3 rd	2 nd	1 st
Quarter								
Weeks	12 weeks	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks
Revenues	8,952.3	11,093.2	9,009.9	8,901.2	8,776.0	11,467.0	9,287.7	6,012.6
Operating income before depreciation, amortization and impairment of property and equipment and other assets	296.3	420.5	457.3	443.4	292.7	391.4	365.6	310.0
Depreciation, amortization and impairment of property and equipment and other assets	142.0	186.0	129.3	125.9	138.1	182.5	134.3	66.1
Operating income	154.3	234.5	328.0	317.5	154.6	208.9	231.3	243.9
Share of earnings of joint ventures and associated companies accounted for using the equity method	3.9	4.6	5.5	8.7	3.0	3.9	3.7	5.2
Net financial expenses (revenues)	26.9	21.8	50.2	11.7	20.7	49.4	15.9	121.8
Net earnings	145.1	182.3	229.8	255.0	146.4	142.2	181.3	102.9
Net earnings per share								
Basic	\$0.26	\$0.32	\$0.41	\$0.45	\$0.26	\$0.25	\$0.33	\$0.19
Diluted	\$0.25	\$0.32	\$0.40	\$0.45	\$0.26	\$0.25	\$0.32	\$0.19

The volatility of road transportation fuel gross margin and seasonality both have an impact on the variability of our quarterly net earnings. Given acquisitions made in recent years and higher retail prices at the pump, road transportation fuel revenues have become a more significant segment of our business and therefore our quarterly results are more sensitive to the volatility of

road transportation fuel gross margins. However, road transportation fuel margins tend to be less volatile when considered on an annual basis or a longer term. With that said, the majority of our operating income is still derived from merchandise and service sales.

Analysis of consolidated results for the fiscal year ended April 28, 2013

Revenues

Our revenues were \$35.5 billion in fiscal 2013, up \$12.6 billion, or 54.7%, mainly attributable to acquisitions and to the increase in same-stores merchandise revenues and road transportation fuel volumes, partially offset by the effect of the 53rd week of fiscal year 2012, by the impact of a decrease in road transportation fuel sales due to lower average retail prices at the pump, unfavourable weather conditions during the fourth quarter in many of our markets as well as by the weaker Canadian dollar.

More specifically, the growth of merchandise and service revenues for fiscal 2013 was \$997.5 million or 15.1%, of which approximately \$1,049.0 million was generated by acquisitions, partially offset by the negative impact of the additional week in fiscal 2012. As for internal growth, on a 52-week comparable basis, same-store merchandise revenues increased by 1.0% in the United States and 2.0% in Canada. For the Canadian and U.S. markets, the variance in same-store merchandise sales is attributable to our merchandising strategies, to the economic conditions in each of our markets as well as to the investments we made to enhance service and the offering of products in our stores. More specifically, in the U.S., for the cigarettes category, the changes made to the supply terms of the industry and to our pricing strategies as well as the competitive environment had an unfavourable impact on our sales for that product category because of their deflationary effect. Thus, we estimate that excluding tobacco products sales, our same-store merchandise revenues in the United States increased by 3.4% on a 52-week comparable basis, the negative impact in the cigarettes category having been more than offset by the strong performance in fresh products. The growth in sales was partially offset by the effect of the additional week in fiscal year 2012. As for the weaker Canadian dollar, it had an unfavourable impact of approximately \$19.0 million on merchandise and service revenues of fiscal 2013.

Road transportation fuel revenues increased by \$8.9 billion or 54.3% in fiscal 2013, of which approximately \$9.1 billion stems from acquisitions, partially offset by the negative impact of the additional week in fiscal 2012. The still fragile economy has continued to put pressure on road transportation fuel consumption, which can explain the flat same-store road transportation fuel volume in Canada as well as the modest increase of 0.6% in the United States. Volume growth in the United States is satisfactory when compared with data from the U.S. Federal Highway Administration's Traffic Volume Trends reports which indicate that, from May 2012 to April 2013, traffic on the roads and streets decreased by 0.1% compared with the corresponding prior period. These items contributing to the growth in revenues were partially offset by the impact of the additional week in fiscal 2012 as well as by the lower average road transportation fuel price at the pump.

The lower average retail price of road transportation fuel generated a decrease in revenues of approximately \$68.0 million as shown in the following table, starting with the first quarter of the fiscal year ended April 29, 2012:

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 28, 2013					
United States (US dollars per gallon)	3.49	3.65	3.35	3.61	3.51
Canada (CA cents per litre)	112.62	117.41	110.43	115.65	113.77
53-week period ended April 29, 2012					
United States (US dollars per gallon)	3.67	3.49	3.31	3.73	3.54
Canada (CA cents per litre)	114.08	112.90	109.88	117.05	113.27

As for the weaker Canadian dollar, it had an unfavourable impact of approximately \$23.0 million on road transportation fuel sales of fiscal 2013.

Other income showed an increase of \$2.7 billion for fiscal 2013, entirely due to acquisitions. Other revenues include revenues derived from the rental of assets, the sale of aviation and marine fuel, the sale of liquid petroleum gas ("LPG"), heating oil, kerosene, lubricants and chemicals. We sold our LPG operations in December 2012.

Gross profit

The consolidated merchandise and service gross margin grew by \$438.1 million or 20.1% in fiscal 2013. In the United States, the gross margin is up by 0.1% to 33.1% while in Canada, it increased by 0.3% to 33.6%. This performance reflects the shift in our product-mix toward higher margin categories, including fresh products, the modifications we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market. In the United States, the improvement in margin as a percentage of sales was partially offset by our price strategies in the cigarettes category. In Europe, the margin was 44.1%, which is consistent with our expectations and historical margins recorded by Statoil Fuel & Retail. The higher merchandise and services gross margin as a percentage of sales in Europe reflects price and cost structures as well as a product-mix that are different from those in North America.

In fiscal 2013, the road transportation fuel gross margin for our company-operated stores in the United States increased by 1.78¢ per gallon, from 16.99¢ per gallon in fiscal 2012 to 18.77¢ per gallon in fiscal 2013. In Canada, the road transportation fuel gross margin reached CA 5.84¢ per liter in fiscal 2013 compared to CA 5.45¢ in fiscal 2012. The road transportation fuel gross margin of our company-operated stores in the United States as well as the impact of expenses related to electronic payment modes for the last eight quarters, starting with the first quarter of fiscal year ended April 29, 2012, were as follows:

(US cents per gallon)

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 28, 2013					
Before deduction of expenses related to electronic payment modes	23.20	15.20	17.80	19.30	18.77
Expenses related to electronic payment modes	4.97	5.15	4.79	5.03	4.97
After deduction of expenses related to electronic payment modes	18.23	10.05	13.01	14.27	13.80
53-week period ended April 29, 2012					
Before deduction of expenses related to electronic payment modes	19.95	17.04	14.84	16.98	16.99
Expenses related to electronic payment modes	5.29	5.20	4.74	5.06	5.04
After deduction of expenses related to electronic payment modes	14.66	11.84	10.10	11.92	11.95

Operating, selling, administrative and general expenses

For fiscal 2013, operating, selling, administrative and general expenses rose by 50.1% compared with fiscal 2012, but decreased by 0.9% if we exclude certain items, as demonstrated by the following table:

Total variance as reported	50.1%
Subtract:	
Increase from incremental expenses related to acquisitions	51.4%
Decrease from lower electronic payment fees (excluding acquisitions)	(0.1%)
Decrease from the weakening of the Canadian dollar	(0.3%)
Acquisition costs recognized to earnings of fiscal 2012	(0.3%)
Acquisition costs recognized to earnings of fiscal 2013	0.2%
Negative goodwill recognized to earnings of fiscal 2012	0.3%
Negative goodwill recognized to earnings of fiscal 2013	(0.2%)
Remaining variance, including the impact of the additional week in fiscal 2012	(0.9%)

The decrease in electronic payment fees stems mainly from the lower average retail price of road transportation fuel. The remaining variance is mainly due to the impact of the 53rd week in fiscal 2012. We continue to favour a tight control of our costs throughout the organization while making sure to maintain the quality of the service we offer our clients.

In Europe, the decrease in expenses recorded in relation with our cost reduction initiatives were more than offset by costs incurred for projects aimed at creating value, including the implementation of a new IT infrastructure and the rollout of an Enterprise Resource Planning ("ERP") system. Our IT costs should go down progressively along with the completion of these projects over the course of the next quarters. Fiscal 2013 expenses also include marketing costs to support our sales initiatives to boost sales, including "*miles*TM", our new signature fuel brand as well as "Coin Offer", a new in-store program to promote our value fresh food offering.

Restructuring costs

During fiscal 2013, we recorded restructuring expenses of \$34.0 million in line with the planned restructuring of Statoil Fuel & Retail's operations.

Curtailment gain on certain defined benefits pension plans obligation

During fiscal 2013, in connection with the planned restructuring of Statoil Fuel & Retail's, we recorded to earnings a \$19.4 million non-recurring curtailment gain related to certain defined benefits pension plans with a corresponding offset to the defined benefit plan obligation.

Earnings before interests, taxes, depreciation, amortization and impairment (EBITDA) and Adjusted EBITDA

During fiscal 2013, EBITDA increased by 63.5% compared to fiscal 2012, reaching \$1,375.6 million. Net of acquisition costs recorded to earnings, acquisitions contributed approximately \$450.0 million to EBITDA while the exchange rate variation had a negative impact of approximately \$2.0 million.

Excluding from fiscal 2013 the negative goodwill, restructuring costs and the curtailment gain on certain defined benefits pension plans obligation and excluding negative goodwill from fiscal 2012, adjusted EBITDA increased by \$551.6 million or 66.1% compared to fiscal 2012, reaching \$1,385.8 million.

It should be noted that EBITDA and Adjusted EBITDA are not performance measures defined by IFRS, but we, as well as investors and analysts, use these measures to evaluate the Corporation's financial and operating performance. Note that our definition of these measures may differ from the one used by other public corporations:

(in millions of US dollars)	52-week period ended April 28, 2013	53-week period ended April 29, 2012
Net earnings, as reported	572.8	457.6
Add:		
Income taxes	73.9	146.3
Net financial expenses (revenues)	207.8	(2.6)
Depreciation, amortization and impairment of property and equipment and other assets	521.1	239.8
EBITDA	1,375.6	841.1
Add:		
Negative goodwill	(4.4)	(6.9)
Restructuring costs	34.0	-
Curtailment gain on defined benefits pension plans obligation	(19.4)	-
Adjusted EBITDA	1,385.8	834.2

Depreciation, amortization and impairment of property and equipment and other assets

For fiscal 2013, depreciation expense increased due to the investments made through acquisitions, replacement of equipment, addition of new stores and ongoing improvement of our network.

In addition, following the acquisition of Statoil Fuel & Retail, we have undertaken an analysis of the remaining useful lives of Statoil Fuel & Retail property and equipment in order to modify the depreciation periods accordingly. Based on our preliminary analysis, we concluded that the modification of depreciation periods would reduce the depreciation expense, which was reflected in the depreciation expense for fiscal 2013. However, given the volume of assets to process, our analytical work has not been completed yet. Additional changes to the depreciation expense could be made.

Net financial expenses (revenues)

For fiscal 2013, we recorded net financial expenses of \$207.8 million compared to net financial revenues of \$2.6 million in fiscal 2012. Excluding the non-recurring loss of \$102.9 million on foreign exchange forwards contracts and the net foreign exchange gain of \$3.2 million recorded during fiscal 2013, as well as excluding the \$17.0 million gain recorded on foreign exchange forwards contracts in fiscal 2012, net financial expenses posted an increase of \$93.7 million compared to fiscal

year 2012, mainly due to the additional debt required to finance the acquisition of Statoil Fuel & Retail and debt assumed through its acquisition. With respect to the net foreign exchange gain of \$3.2 million, it is mainly due to a gain from the impact of the exchange rate fluctuations on certain inter-company balances, a non-recurring foreign exchange gain of \$7.4 million recorded on our NOK cash held by our U.S. operations in connection with the financing of the acquisition of Statoil Fuel & Retail partially offset by the impact of exchange rates fluctuations on U.S. dollars denominated sales made by our European operations.

Income taxes

The income tax rate for fiscal 2013 is 11.4%. The decrease is partly due to the effect on deferred income taxes of a decrease in our statutory income tax rate in Sweden. Excluding this non-recurring item, the income tax rate for fiscal 2013 would have been 16.8% compared to a rate of 24.2% for fiscal 2012.

Net earnings

We closed fiscal 2013 with net earnings of \$572.8 million, compared to \$457.6 million the previous fiscal year, an increase of \$115.2 million or 25.2%. Diluted net earnings per share stood at \$1.02 compared to \$0.83 the previous year, an increase of 22.9%. The exchange rate variation did not have a significant impact on net earnings of fiscal 2013.

Excluding from fiscal 2013 net earnings the non-recurring loss on foreign exchange forward contracts, restructuring costs, the non-recurring curtailment gain on certain defined benefits pension plan, the net foreign exchange gain, the non-recurring income tax recovery, acquisition costs as well as the negative goodwill and excluding the non-recurring gain on foreign exchange forward contracts, acquisition costs and the negative goodwill from earnings of fiscal 2012, net earnings for fiscal 2013 would have stood at approximately \$620.9 million (\$1.11 per share on a diluted basis) compared to \$444.7 million (\$0.81 per share on a diluted basis) for fiscal 2012, up \$176.2 million, or 39.6%, despite the negative impact of the additional week in fiscal 2012.

Internal Controls

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents, also taking into account materiality. Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at April 27, 2014, our management, following their assessment, certifies the design and operating effectiveness of disclosure controls and procedures.

We undertake ongoing evaluations of the effectiveness of internal controls over financial reporting and implement control enhancements, when appropriate. As at April 27, 2014, our management and our external auditors reported that these internal controls were effective.

Critical Accounting Policies and Estimates

Estimates. This MD&A is based on our consolidated financial statements, which have been prepared in accordance with IFRS. These standards require us to make certain estimates and assumptions that affect our financial position and results of operations as reflected in our consolidated financial statements. On an ongoing basis, we review our estimates. These estimates are based on our best knowledge of current events and actions that we may undertake in the future. Actual results could differ from those estimates. The most significant accounting judgments and estimates that we have made in the preparation of the consolidated financial statements are discussed along with the relevant accounting policies when applicable and relate primarily to the following topics: Vendor rebates, determination of the useful lives of tangible and intangible assets, income taxes, leases, employee future benefits, provisions, impairment and business combinations.

Inventory. Our inventory is comprised mainly of products purchased for resale including tobacco products, fresh goods, beer and wine, grocery items, candies and snacks, other beverages and road transportation fuel. Inventories are valued at the lesser of cost and net realizable value. Cost of merchandise is generally valued based on the retail price less a normal margin and the cost of road transportation fuel inventory is generally determined according to the average cost method. The cost of

lubricant inventory and aviation fuel is determined using the first in first out method. Inherent in the determination of margins are certain management judgments and estimates, which could affect ending inventory valuations and results of operations.

Impairment of Long-lived Assets. Property and equipment are tested for impairment should events or circumstances indicate that their book value may not be recoverable, as measured by comparing their net book value to their recoverable amount, which corresponds to the higher of fair value less costs to sell and value in use. Should the carrying amount of long-lived assets exceed their fair value, an impairment loss in the amount of the excess would be recognized. Our evaluation of the existence of impairment indicators is based on market conditions and our operational performance. The variability of these factors depends on a number of conditions, including uncertainty about future events. These factors could cause us to conclude that impairment indicators exist and require that impairment tests be performed, which could result in determining that the value of certain long-lived assets is impaired, resulting in a write-down of such long-lived assets.

Goodwill and Other Intangibles Assets. Goodwill and other intangibles assets with indefinite-life are evaluated for impairment annually, or more often if events or changes in circumstances indicate that the value of certain goodwill or intangibles may be impaired. For the purpose of this impairment test, management uses estimates and assumptions to establish the fair value of our reporting units and intangible assets. If these assumptions and estimates prove to be incorrect, the carrying value of our goodwill or other intangible assets may be overstated. Our annual impairment test is performed in the first quarter of each fiscal year.

Asset retirement obligations. Asset retirement obligations relate to estimated future costs to remove underground road transportation fuel storage tanks and are based on our prior experience in removing these tanks, estimated tank useful life, lease terms for those tanks installed on leased properties, external estimates and governmental regulatory requirements. A discounted liability is recorded for the present value of an asset retirement obligation with a corresponding increase to the carrying value of the related long-lived asset at the time an underground storage tank is installed. To determine the initial liability, the future estimated cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amount added to property and equipment is amortized and an accretion expense is recognized in connection with the discounted liability over the remaining life of the tank or lease term for leased properties.

Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased to reflect the passage of time and then adjusted for variations in the current market-based discount rate or the scheduled underlying cash flows required to settle the liability.

Environmental Matters. We provide for estimated future site remediation costs to meet government standards for known site contamination when such costs can be reasonably estimated. Estimates of the anticipated future costs for remediation activities at such sites are based on our prior experience with remediation sites and consideration of other factors such as the condition of the site contamination, location of sites and the experience of the contractors that perform the environmental assessments and remediation work.

In each of the U.S. states in which we operate, with the exception of Michigan, Iowa, Florida, Arizona, Texas, West Virginia, Maryland and Washington State, there is a state fund to cover the cost of certain environmental remediation activities after applicable trust fund deductible is met, which varies by State. These state funds provide insurance for road transportation fuel facilities operations to cover some of the costs of cleaning up certain contamination to the environment caused by the usage of underground road transportation fuel equipment. Underground road transportation fuel storage tank registration fees and/or a road transportation fuel tax in each of the states finance the trust funds. We pay the annual registration fees and remit the sales taxes to the applicable states where we are a member of the trust fund. Insurance coverage is different in the various states.

Income Taxes. Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to temporary differences between the financial statement carrying values of assets and liabilities and their respective income tax bases. Deferred income tax assets or liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The calculation of current and deferred income taxes requires management to make estimates and assumptions and to exercise a certain amount of judgment regarding the financial statement carrying values of assets and liabilities which are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results and the timing of reversal of temporary differences and possible audits of tax filings by the regulatory authorities. Management believes it has adequately provided for income taxes based on current available information.

Changes or differences in these estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated balance sheets, a charge or credit to income tax expense in the consolidated statement of earnings and may result in cash payments or receipts.

Employee future benefits. We accrue our obligations under employee pension plans and the related costs, net of plan assets. We have adopted the following accounting policies with respect to the defined benefit plans:

- The accrued benefit obligations and the cost of pension benefits earned by active employees are actuarially determined using the projected unit credit method pro-rated on service and pension expense is recorded in earnings as the services are rendered by active employees. The calculations reflect our best estimate of salary escalation and retirement ages of employees;
- The discount rate on the benefit obligation is equal to the yield at the measurement date on high quality corporate bonds that have maturity dates approximating the terms of our obligations;
- Plan assets are valued at fair value;
- Actuarial gains and losses arise from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments. Actuarial gains and losses are recognized immediately in Other comprehensive income with no impact on net earnings;
- Past service costs are recorded to earnings at the earlier of the following dates:
 - When the plan amendment or curtailment occurs;
 - When we recognize related restructuring costs or termination benefits;
- Net interest on the defined benefit liability (asset) represents the net defined benefit liability (asset), multiplied by the discount rate and is recorded in financial expenses.

The pension cost recorded in net earnings for the defined contribution plans is equivalent to the contribution which we are required to pay in exchange for services provided by the employees.

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. We determine the appropriate discount rate at the end of each fiscal year. This is the rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, we consider the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Insurance and Workers' Compensation. We use a combination of insurance, self-insured retention, and self-insurance for a number of risks including workers' compensation (in certain U.S. states), property damages and general liability claims. Accruals for loss incidences are made based on our claims experience and actuarial assumptions followed in the insurance industry. A material revision to our liability could result from a significant change to our claims experience or the actuarial assumptions of our insurers. Actual losses could differ from accrued amounts. Workers' compensation is covered by government-imposed insurance in Canada and in Europe and by third-party insurance in our United States operations, except in certain states where we are self-insured. With respect to the third-party insurance in the United States, independent actuarial estimates of the aggregate liabilities for claims incurred serve as a basis for our share of workers' compensation losses.

Recently Issued Accounting Standards

Revised Standards

Financial Statement Presentation

On April 29, 2013, we adopted amendments to International Accounting Standard (“IAS”) 1, “Presentation of Financial Statements”. The amendments govern the presentation of Other Comprehensive Income (“OCI”) in the financial statements, primarily by requiring OCI items that may be reclassified to the consolidated statements of earnings to be presented separately from those that will not be reclassified. We have adopted this presentation and there was no other significant impact on our consolidated financial statements.

Consolidated financial statements

On April 29, 2013, we adopted the new standard IFRS 10, “Consolidated Financial Statements”, which requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under previous IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, “Consolidation—Special Purpose Entities” and parts of IAS 27, “Consolidated and Separate Financial Statements”. The adoption of this standard had no impact on our consolidated financial statements.

Joint Arrangements

On April 29, 2013, we adopted the new standard IFRS 11, “Joint Arrangements”, which requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures must be accounted for using the equity method of accounting whereas for a joint operation the venturer must recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, “Interests in Joint Ventures” and SIC-13, “Jointly Controlled Entities—Non-monetary Contributions by Venturers”. The adoption of this standard had no impact on our consolidated financial statements as we were already accounting for our joint ventures using the equity method.

Disclosure of Interest in Other Entities

On April 29, 2013, we adopted the new standard IFRS 12, “Disclosure of Interest in Other Entities”. IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard includes existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities. The adoption of this standard had no impact on our consolidated financial statements. The required disclosures under IFRS 12 were included in our consolidated financial statements.

Fair Value Measurement

On April 29, 2013, we adopted the new standard IFRS 13, “Fair Value Measurement”. IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across essentially all IFRS. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures. The adoption of this standard had no impact on our consolidated financial statements with respect to measurement but has required additional disclosures.

Impairment of Assets

On April 29, 2013, we early-adopted amendments to IAS 36 requiring additional disclosures about the recoverable amount of impaired non-financial assets if that amount is based on fair value less costs to sell. The adoption of these amendments had no impact on our consolidated financial statements.

Offsetting financial assets and financial liabilities

On April 29, 2013, we early-adopted amendments to IAS 32 “Financial Instruments - Presentation” which was amended to clarify the requirements for offsetting financial assets and financial liabilities. We also early-adopted amendments to IFRS 7 “Financial Instruments - Disclosures” which was amended to improve disclosures on offsetting of financial assets and financial liabilities. These amendments did not impact our consolidated financial statements, but additional information is disclosed.

Recently issued accounting standards not yet implemented

Classification and measurement of financial assets and financial liabilities

In November 2009, the IASB issued IFRS 9, “Financial Instruments”, which will replace the various rules of IAS 39, “Financial Instruments: Recognition and Measurement” with a single approach to determine whether a financial asset is measured at amortized cost or fair value. In October 2010, the IASB revised IFRS 9, adding requirements for classification and measurement of financial liabilities. In November 2013, the IASB incorporated a new hedge accounting model into IFRS 9 to enable financial statement users to better understand an entity’s risk exposure and its risk management activities. Also, the IASB deferred mandatory application of IFRS 9 to an unspecified date with early adoption permitted. We will assess, in due course, the impact of IFRS 9 on our consolidated financial statements.

Business Risks

We are constantly looking to control and improve our operations. In this perspective, identification and management of risks are key components of such activities. We have identified and assessed key risk factors that could negatively impact the Corporation’s objectives and its ensuing performance.

We manage risks on an ongoing basis and implement a series of measures designed to mitigate key risks described in the present section and their financial impact.

Road Transportation Fuel. Our results are sensitive to the changes in road transportation fuel retail price and gross margin. Factors beyond our control such as market-driven changes in supply terms, road transportation fuel price fluctuations due to, amongst other things, general political and economic conditions, as well as the market’s limited ability to absorb road transportation fuel retail price fluctuations, are factors that could influence road transportation fuel retail price and related gross margin. During fiscal 2014, road transportation fuel revenues accounted for approximately 72.0% of our total revenue, yet the road transportation fuel gross margin represented only about 38.0% of our overall gross profits. In fiscal 2014, a change of one cent per gallon (26 cents per litre) would have resulted in a change of approximately \$76.0 million in road transportation fuel gross profit, with a corresponding impact on net earnings of approximately \$0.09 per share on a diluted basis.

Electronic Payment Modes. We are exposed to significant fluctuations in expenses related to electronic payment modes resulting from large changes in road transportation fuel retail prices, particularly in our U.S. markets, because the majority of this expense is based on a percentage of the retail prices of road transportation fuel. For fiscal 2014, a variation of 10% in our expenses associated with electronic payment modes would have had an impact on net earnings of approximately \$0.07 per share on a diluted basis.

Seasonality and Natural Disasters. Weather conditions can have an impact on our revenues as historical purchase patterns indicate that our customers increase their transactions and also purchase higher margin items when weather conditions are favourable. We have operations in the Southeast and West coast regions of the United States and, although these regions are generally known for their mild weather, these regions are susceptible to severe storms, hurricanes, earthquakes and other natural disasters.

Economic Conditions. Our revenues may be negatively influenced by changes in global, national, regional and/or local economic variables and consumer confidence. Changes in economic conditions could adversely affect consumer spending patterns, travel and tourism in certain of our market areas.

For several years, the global capital and credit markets and the global economy have experienced significant uncertainty, characterized by the bankruptcy, failure, collapse or sale of various financial institutions, the European sovereign debt crisis and a considerable level of intervention from governments around the world. These conditions may, in particular, adversely affect the demand for our products. As the contraction of the global capital and credit markets spreads throughout the broader economy, major markets around the world have experienced very weak or negative economic growth. Although there may be signs of economic recovery, the markets remain fragile and could again enter periods of negative economic growth. There can be no assurance that our business will not be affected by adverse global economic conditions.

Tobacco Products. Tobacco products represent our largest product category of merchandise and service revenues. For fiscal 2014, revenues of tobacco products were approximately 38.0% of total merchandise and service revenues. Significant increases in wholesale cigarette costs and a tax increase on tobacco products, as well as current and future legislation and national and local campaigns to discourage smoking in the United States, Canada and Europe, may have an adverse impact on the demand for tobacco products, and may therefore adversely affect our revenues and profits in light of the competitive landscape and consumer sensitivity to the price of such products.

In addition, we sell brands of cigarettes that are manufactured to be sold by Couche-Tard on an exclusive basis and we could be sued for health problems caused by the use of tobacco products. In fact, various health-related legal actions, proceedings and claims arising out of the sale, distribution, manufacture, development, advertising and marketing of cigarettes have been brought against vendors of tobacco products. Any unfavourable verdict against us in a health-related suit could adversely affect our business, financial condition and results of operations. In conformity with accounting standards, we have not established any reserves for the payment of expenses or adverse results related to any potential health-related litigation.

Competition. The industries and geographic areas in which we operate are highly competitive and marked by a constant change in terms of the number and type of retailers offering the products and services found in our stores. We compete with other convenience store chains, independent convenience stores, gas station operators, large and small food retailers, quick service restaurants, local pharmacies and pharmacy chains and dollar stores. There can be no assurance that we will be able to compete successfully against our competitors. Our business may also be adversely affected if we do not sustain our ability to meet customer requirements relative to price, quality, customer service and service offerings.

Environmental Laws and Regulations. Our operations, particularly those relating to the storage, transportation and sale of fuel products, are subject to numerous environmental laws and regulations in the countries in which we operate, including laws and regulations governing the quality of fuel products, ground pollution and emissions and discharges into air and water, the implementation of targets regarding the use of certain bio-fuel or renewable energy products, the handling and disposal of hazardous wastes, the use of vapour reduction systems to capture fuel vapour, and the remediation of contaminated sites.

Our operations expose us to certain risks, particularly at our terminals and other storage facilities, where large quantities of fuel are stored, and at our fuel stations. These risks include equipment failure, work accidents, fires, explosions, vapour emissions, spills and leaks at storage facilities and/or in the course of transportation to or from our or a third party's terminals, fuel stations, airports or other sites. In addition, we are also exposed to the risk of accidents involving the tanker trucks used in our fuel product distribution system. These types of hazards and accidents may cause personal injuries or the loss of life, business interruptions and/or property, equipment and environmental contamination and damage. Further, we may be subject to litigation, compensation claims, governmental fines or penalties or other liabilities or losses in relation to such incidents and accidents and may incur significant costs as a result. Under various national, provincial, state and local laws and regulations, we may, as the owner or operator, be liable for the costs of removal or remediation of contamination at our current or former sites, whether or not we knew of, or caused, the presence of such contamination. Such incidents and accidents may also affect our reputation or our brands, leading to a decline in the sales of our products and services and may adversely impact our business, financial condition and results of operations.

Acquisitions. Acquisitions have been and will continue to be a significant part of our growth strategy. Our ability to identify strategic acquisitions in the future may be limited by the number of attractive acquisition targets with motivated sellers, internal demands on our resources and, to the extent necessary, our ability to obtain financing on satisfactory terms for larger acquisitions, if at all.

Achieving anticipated benefits and synergies of an acquisition will depend in part on whether the operations, systems, management and cultures of our corporation and the acquired business can be integrated in an efficient and effective manner and whether the presumed bases or sources of synergies produce the benefits anticipated. We may not be able to achieve anticipated synergies and cost savings for an acquisition for many reasons, including contractual constraints, an inability to take advantage of expected synergistic savings and increased operating efficiencies, loss of key employees, or changes in tax laws and regulations. The process of integrating an acquired business may lead to greater than expected operating costs, significant one-time write-offs or restructuring charges, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, or suppliers). Failure to successfully integrate an acquired business may have an adverse effect on our business, financial condition and results of operations.

Although we perform a due diligence investigation of the businesses or assets that we acquire, there may be liabilities or expenses of the acquired business or assets that we do not uncover during our due diligence investigation and for which we, as a successor owner, may be responsible. The discovery of any material liabilities relating to an acquisition could have a material adverse effect on our business, financial condition and results of operations.

Legislative and Regulatory Requirements. As discussed above under “Environmental Laws and Regulations”, our operations are subject to numerous environmental laws and regulations. In addition, convenience store operations are subject to extensive regulations, including regulations relating to the sale of alcohol and tobacco products, various food safety and product quality requirements, minimum wage laws, and tax laws and regulations. We currently incur substantial operating and capital costs for compliance with existing health, safety, environmental and other laws and regulations applicable to our operations. If we fail to comply with any laws and regulations or permit limitations or conditions, or fail to obtain any necessary permits or registrations, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms contained in our current permits or registrations, we may be subject to, among other things, civil and criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a part of our operations. In addition, the laws and regulations applicable to our operations are subject to change and it is expected that, given the nature of our business, we will continue to be subject to increasingly stringent health, safety, environmental laws and regulations and other laws and regulations that may increase the cost of operating our business above currently expected levels and require substantial future capital and other expenditures. As a result, there can be no assurance that the effect of any future laws and regulations or any changes to existing laws and regulation, or their current interpretation, on our business, financial condition and results of operations would not be material.

Our business may also be affected by laws and regulations addressing global climate change and the role in it played by fossil fuel combustion and the resulting carbon emissions. Some jurisdictions in which we operate have enacted measures to limit carbon emissions, and such measures increase the costs of petroleum-based fuels above what they otherwise would be and may adversely affect the demand for road transportation fuel. Similarly, adoption of other environmental protection measures affecting the petroleum supply chain, such as more stringent requirements applicable to the exploration, drilling, and transportation of crude oil and to the refining and transportation of petroleum products, may also increase the costs of petroleum-based fuels with similar effects on demand for road transportation fuel. The impact of such developments, individually or in combination, could adversely affect our sales of road transportation fuel.

Interest Rates. We are exposed to interest rate fluctuations associated with changes in the short-term interest rate. Borrowings under our credit facilities bear interest at variable rates, and other debt we incur could likewise be variable-rate debt. As of April 27, 2014, we carried variable rate debt of approximately \$1,352.0 million. Based on the amount of our variable rate debt as at April 27, 2014, a one percentage point increase in interest rates would increase our total annual interest expense by approximately \$10.0 million or \$0.02 per share on a diluted basis. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. We do not currently use derivative instruments to mitigate this risk.

Liquidity. Liquidity risk is the risk that we will encounter difficulties in meeting our obligations associated with financial liabilities and lease commitments. We are exposed to this risk mainly through our long-term debt, accounts payable and accrued expenses and our lease agreements. Our liquidities are provided mainly by cash flows from operating activities and borrowings available under our revolving credit facilities.

Litigation. In the ordinary course of business, we are a defendant in a number of legal proceedings, suits, and claims common to companies engaged in our business and an adverse outcome in such proceedings could adversely affect our business, financial condition and results of operations.

Insurance. We carry comprehensive liability, fire and extended coverage insurance on most of our facilities, with policy specifications and insured limits customarily carried in our industry for similar properties. There can be no assurance that we will be able to continue to obtain such insurance on favourable terms or at all. Some types of losses, such as losses resulting from wars, acts of terrorism, or natural disasters, generally are not insured because they are either uninsurable or not economically practical.

Acts of War or Terrorism. Acts of war and terrorism could impact general economic conditions and the supply and price of crude oil. Such events could adversely impact our business, financial condition and results of operations.

Exchange Rate. Our functional currency is the Canadian dollar. As such, our investments in our U.S. and European operations are exposed to net changes in currency exchange rates. Should changes in currency exchange rates occur, the amount of our net investment in our U.S. and European operations could increase or decrease. From time to time, we use cross-currency interest rate swap agreements to hedge a portion of this risk.

We are also exposed to foreign currency risk with respect to a portion of our long-term debt denominated in U.S. dollars and certain intercompany loans. As at April 27, 2014, all else being equal, a hypothetical variation of 5.0% of the U.S. dollar

against the Canadian dollar would have had a net impact of \$12.5 million on net earnings. We do not currently use derivative instruments to mitigate this risk.

We use the U.S. dollar as our reporting currency. As such, changes in currency exchange rates could materially increase or decrease our foreign currency-denominated net assets on consolidation which would increase or decrease, as applicable, shareholders' equity. In addition, changes in currency exchange rates will affect the translation of the revenue and expenses of our Canadian and European operations and will result in lower or higher net earnings than would have occurred had the exchange rate not changed.

In addition to currency translation risks, we incur a currency transaction risk, mostly in Europe, whenever one of our subsidiaries enters into a revenue contract with a different currency than its functional currency. Given the volatility of exchange rates, we may not be able to manage our currency transaction and/or translation risks effectively, and volatility in currency exchange rates could have an adverse effect on our business, financial condition and results of operations.

Credit Risk. We are exposed to credit risk arising from our embedded total return swaps and cross-currency interest rate swaps when these swaps result in a receivable from financial institutions. We do not currently use derivative instruments to mitigate this risk.

Dependence on Third Party Suppliers. Our fuel business is dependent upon the supply of refined oil products from a relatively limited number of suppliers and upon a distribution network serviced principally by third-party tanker trucks. In the case of our key suppliers, an event causing disruptions to any of these suppliers' supply chains or refineries could have a significant effect on our ability to receive refined oil products for sale or raw materials for use in the production of our lubricants, or result in us paying a higher cost to obtain such products.

Accounts Receivable. We are exposed to risk relating to the creditworthiness and performance of our customers, suppliers and contract counterparties. At April 27, 2014, we had outstanding accounts receivable totaling \$1,726.4 million. This amount primarily consists of credit card receivables, vendor rebates due from our suppliers and receivables arising from the sale of fuel to independent, franchised or licensed gas station operators as well as to other industrial and commercial clients. Contracts with longer payment cycles or difficulties in enforcing contracts or collecting accounts receivables could lead to material fluctuations in our cash flows and could adversely impact our business, financial condition and results of operations.

Long-Term Changes in Customer Behaviour. In the road transportation fuel and convenience business sector, customer traffic is generally driven by consumer preferences and spending trends, growth rates for automobile and truck traffic and trends in travel and tourism. A decline in the number of potential customers using our fuel stations and convenience stores due to changes in consumer preferences, changes in discretionary consumer spending or modes of transportation could adversely impact our business, financial condition and results of operations.

Global Operations. We have significant operations in multiple jurisdictions throughout the world. Some of the risks inherent in the scope of our international operations include: the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems; more expansive legal rights of foreign labor unions and employees; foreign currency exchange rate fluctuations; the potential for changes in local economic conditions; potential tax inefficiencies in repatriating funds from foreign subsidiaries; and exchange controls and restrictive governmental actions, such as restrictions on transfer or repatriation of funds and trade protection matters, including prohibitions or restrictions on acquisitions or joint ventures. Any of these factors could materially and adversely affect our business, financial condition and results of operations.

Outlook

During fiscal year 2015, we expect to pursue our investments with caution in order to, amongst other things, improve our network and build additional stores. We also intend to keep an ongoing focus on our sales, supply terms and operating expenses while keeping an eye on growth opportunities that may be available.

We will continue to pay special attention to the realization of Statoil Fuel & Retail's synergies and to the reduction of our debt level in order to improve our financial flexibility and hopefully improve the quality of our credit rating.

Finally, in line with our business model, we intend to continue focussing on the sale of fresh products and on innovation, including the introduction of new products and services, in order to satisfy the needs of our large clientele.

July 7, 2014