

Couche-Tard 

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Quarterly Report

FOR THE 12-WEEK PERIODS ENDED JULY 20, 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 first quarter of the fiscal year ending April 26, 2015. 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 <http://corpo.couche-tard.com>.

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 September 3, 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 countries while we have a significant presence in Poland.

As of July 20, 2014, our network comprises 6,243 convenience stores throughout North America, including 4,478 stores with road transportation fuel dispensing. Our North-American network consists of 13 business units, including nine in the United States covering 40 states 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 2,250 stores as at July 20, 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 or regions worldwide (China, Guam, Honduras, Hong Kong, Indonesia, Japan, Macau, Malaysia, Mexico, the Philippines, Vietnam and the United Arab Emirates) which brings the total network to over 13,000 stores worldwide..

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 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, taking into account our cross currency interest rate swaps.

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	
	July 20, 2014	July 21, 2013
Average for period		
Canadian Dollar ⁽¹⁾	0.9236	0.9707
Norwegian Krone ⁽²⁾	0.1656	0.1693
Swedish Krone ⁽²⁾	0.1499	0.1511
Danish Krone ⁽²⁾	0.1829	0.1752
Zloty ⁽²⁾	0.3285	0.3076
Euro ⁽²⁾	1.3647	1.3060
Lats ⁽³⁾	-	1.8625
Litas ⁽²⁾	0.3955	0.3783
Ruble ⁽²⁾	0.0289	0.0312

Period end	As at July 20, 2014	As at April 27, 2014
Canadian Dollar	0.9314	0.9061
Norwegian Krone	0.1615	0.1681
Swedish Krone	0.1461	0.1537
Danish Krone	0.1812	0.1858
Zloty	0.3257	0.3301
Euro	1.3514	1.3870
Litas	0.3918	0.4018
Ruble	0.0285	0.0281

(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 May 1st, 2014 to July 20, 2014 for the 12-week period ended July 20, 2014 and from May 1st, 2013 to July 21, 2013 for the 12-week period ended July 21, 2013. Calculated using the average exchange rate at the close of each day for the stated period.

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 regarding changes 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.

Overview of the First Quarter of Fiscal 2015

Net earnings amounted to \$269.5 million for the first quarter of fiscal 2015, up 5.7% over the corresponding period of fiscal 2014. Results for the first quarter of fiscal 2015 include a net foreign exchange loss of \$8.7 million as well as a negative goodwill of \$0.5 million while results for the first quarter of fiscal 2014 included a negative goodwill of \$41.6 million as well as a net foreign exchange gain of \$13.2 million.

Excluding these items as well as acquisition costs from both periods, net earnings for the first quarter of fiscal 2015 would have been approximately \$276.0 million (\$0.48 per share on a diluted basis) compared to \$220.0 million (\$0.39 per share on a diluted basis) for the first quarter of fiscal 2014, an increase of \$56.0 million, or 25.5%. A large portion of this significant increase is attributable to strong organic growth from merchandises and services as well as from transportation fuel combined with rigorous cost control. Our strong organic growth was further supported by the contribution from our acquisitions. These items, which contributed to the growth in net earnings, were partially offset by the negative net impact from the translation of revenues and expenses from our Canadian and European operations into the United States dollar.

We continued to improve our return on capital employed which was 14.0% for the 52-week period ended July 20, 2014 as well as our adjusted net interest bearing debt to adjusted EBITDAR ratio which stood at 2.2 as at July 20, 2014 compared to 3.6 shortly after the acquisition of Statoil Fuel & Retail.

Statoil Fuel & Retail

Period results

Our results for the 12-week period ended July 20, 2014 include those of Statoil Fuel & Retail for the period beginning May 1st, 2014 and ending July 20, 2014, resulting in a period of 81 days. Our results for the 12-week period ended July 21, 2013 include those of Statoil Fuel & Retail for the period beginning May 1st, 2013 and ending July 21, 2013, covering a total of 82 days.

Our consolidated balance sheet and store count as of July 20, 2014 include Statoil Fuel & Retail's balance sheet and store count as of June 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 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 January 31 st , 2015	January 31, 2015
12-week period ending April 26, 2015 (4 th quarter of fiscal 2015)	From February 1 st , 2015 to April 30, 2015	April 30, 2015
12-week period ending July 19, 2015 (1 st quarter of fiscal 2016)	From May 1 st , 2015 to July 19, 2015	June 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 the optimization of Statoil Fuel & Retail financial systems, which should be done during 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 show 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 July 20, 2014, we recorded synergies and cost savings estimated at approximately \$12.0 million, before income taxes. These synergies and cost reductions mainly impacted operating, selling, administrative and general expenses as well as cost of sales. Since the acquisition, we estimate that total realized annual synergies and cost savings amount to approximately \$97.0 million, before income taxes. We believe these amounts do not 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 and optimization 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 optimize our newly implemented ERP system. An important change in these facts and assumptions could significantly impact our synergies and cost reductions estimate as well as the timing of implementation of our different initiatives.

Network growth

Completed transactions

In June 2014, we acquired 13 company operated-stores and two non-operating sites in South Carolina, United States from Garvin Oil Company. We own the land and buildings for all sites.

In addition, during the first quarter of fiscal 2015, we acquired five additional company-operated stores through distinct transactions.

Available cash was used for these acquisitions.

Outstanding transactions

In July 2014, we entered into an agreement with Tri Star Marketing inc. to acquire 55 company-operated stores in the U.S. states of Illinois and Indiana. Pursuant to this transaction, we would own the land and buildings for 54 sites and would lease those assets for the remaining site. We expect that this transaction will close in October 2014. This transaction is subject to standard regulatory approvals and closing conditions.

Store construction

We completed the construction of 11 new stores during the first quarter of fiscal 2015. We should be able to complete the construction or raze and rebuild a total of 80 to 100 stores during fiscal year 2015, which would represent a significant increase compared to the previous fiscal year.

Additional changes to our network

In May 2014, through our Circle K Asia subsidiary, we entered into a 25-year master licensing agreement with RJ Corp. The agreement governs the development of the Circle K brand in four key regions of India which include major cities like Deli, Mumbai, Goa, Gujarat, Bangalore and Madras.

Summary of changes in our stores network during the first quarter of fiscal 2015

The following table presents certain information regarding changes in our stores network over the 12-week period ended July 20, 2014 ⁽¹⁾:

Type of site	12-week period ended July 20, 2014				Total
	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	
Number of sites, beginning of period	6,236	609	529	1,125	8,499
Acquisitions	18	-	-	-	18
Openings / constructions / additions	12	-	7	24	43
Closures / disposals / withdrawals	(35)	(6)	(4)	(22)	(67)
Store conversion	5	(11)	6	-	-
Number of sites, end of period	6,236	592	538	1,127	8,493
Number of automated service stations included in the period end figures ⁽⁶⁾	910	-	27	-	937

(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 franchising, 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 franchising, 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 other 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 13,000 the number of sites in our network.

Dividends

During its September 3, 2014 meeting, the Board of Directors decided to increase the quarterly dividend by CA0.5¢ per share to CA4.5¢ per share, an increase of 12.5%.

At the same meeting, the Corporation's Board of Directors declared a quarterly dividend of CA4.5¢ per share for the first quarter of fiscal 2015 to shareholders on record as at September 12, 2014 and approved its payment for September 26, 2014. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

Outstanding shares and stock options

As at August 29, 2014, Couche-Tard had 148,101,840 Class A multiple voting shares and 417,658,626 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,528,640 outstanding stock options for the purchase of Class B subordinate voting shares.

Credit Rating on our Canadian dollar denominated unsecured notes

On August 1st, 2014, Moody's Corporation, a credit rating agency, improved the credit rating on our Canadian dollar denominated unsecured notes, raising it to Baa2 in recognition of our ability to generate strong cash flows and of the efforts we have made to exceed our goal of reducing our debt following our acquisition of Statoil Fuel & Retail in June 2012.

Disposal of aviation fuel business

On September 3rd, 2014, subsequent to the end of the first quarter of fiscal 2015, we reached an agreement to sell our aviation fuel business to Air BP. The sale would be done through a share purchase agreement pursuant to which Air BP would acquire 100% of all issued and outstanding shares of Statoil Fuel & Retail Aviation AS. This transaction which is subject to standard regulatory approvals and closing conditions is expected to be completed by the end of December 2014.

Summary analysis of consolidated results for the first quarter of fiscal 2015

The following table highlights certain information regarding our operations for the 12-week periods ended July 20, 2014 and July 21, 2013.

(In millions of US dollars, unless otherwise stated)

	12-week period ended July 20, 2014	12-week period ended July 21, 2013	Variation %
Statement of Operations Data:			
Merchandise and service revenues ⁽¹⁾ :			
United States	1,197.2	1,153.7	3.8
Europe	258.3	248.5	3.9
Canada	528.3	545.5	(3.2)
Total merchandise and service revenues	1,983.8	1,947.7	1.9
Road transportation fuel revenues:			
United States	3,915.5	3,599.9	8.8
Europe	1,972.8	2,052.1	(3.9)
Canada	724.1	692.5	4.6
Total road transportation fuel revenues	6,612.4	6,344.5	4.2
Other revenues ⁽²⁾ :			
United States	3.6	2.4	50.0
Europe	589.3	606.5	(2.8)
Canada	0.1	0.1	0.0
Total other revenues	593.0	609.0	(2.6)
Total revenues	9,189.2	8,901.2	3.2
Merchandise and service gross profit ⁽¹⁾ :			
United States	392.1	372.0	5.4
Europe	108.1	101.0	7.0
Canada	176.0	185.3	(5.0)
Total merchandise and service gross profit	676.2	658.3	2.7
Road transportation fuel gross profit:			
United States	249.2	190.0	31.2
Europe	224.6	209.1	7.4
Canada	41.7	36.7	13.6
Total road transportation fuel gross profit	515.5	435.8	18.3
Other revenues gross profit ⁽²⁾ :			
United States	3.6	2.4	50.0
Europe	84.9	86.4	(1.7)
Canada	0.1	0.1	0.0
Total other revenues gross profit	88.6	88.9	(0.3)
Total gross profit	1,280.3	1,183.0	8.2
Operating, selling, administrative and general expenses	788.8	781.2	1.0
Negative goodwill	(0.5)	(41.6)	(98.8)
Depreciation, amortization and impairment of property and equipment and other assets	126.7	125.9	0.6
Operating income	365.3	317.5	28.0
Net earnings	269.5	255.0	5.7
Other Operating Data:			
Merchandise and service gross margin ⁽¹⁾ :			
Consolidated	34.1%	33.8%	0.3
United States	32.8%	32.2%	0.6
Europe	41.9%	40.6%	1.3
Canada	33.3%	34.0%	(0.7)
Growth of same-store merchandise revenues ^{(3) (4)} :			
United States	2.8%	2.7%	
Europe	1.2%	1.9%	
Canada	3.3%	0.7%	
Road transportation fuel gross margin :			
United States (cents per gallon) ⁽⁴⁾	23.08	19.42	18.8
Europe (cents per litre) ⁽⁵⁾	11.67	10.26	13.8
Canada (CA cents per litre) ⁽⁴⁾	6.44	5.52	16.7
Volume of road transportation fuel sold ⁽⁵⁾ :			
United States (millions of gallons)	1,103.5	1,036.9	6.4
Europe (millions of litres)	1,924.2	2,038.1	(5.6)
Canada (millions of litres)	707.8	692.9	2.2
Growth of (decrease in) same-store road transportation fuel volume ⁽⁴⁾ :			
United States	1.8%	1.2%	
Europe	1.7%	1.8%	
Canada	0.3%	(0.4%)	
Per Share Data:			
Basic net earnings per share (dollars per share)	0.48	0.45	6.7
Diluted net earnings per share (dollars per share)	0.47	0.45	4.4

	July 20, 2014	April 27, 2014	Variation \$
Balance Sheet Data:			
Total assets	10,438.6	10,545.0	(106.4)
Interest-bearing debt	2,469.4	2,606.4	(137.0)
Shareholders' equity	4,106.8	3,962.4	144.4
Indebtedness Ratios:			
Net interest-bearing debt/total capitalization ⁽⁶⁾	0.31 : 1	0.35 : 1	
Net interest-bearing debt/Adjusted EBITDA ⁽⁷⁾	1.12 : 1	1.32 : 1	
Adjusted net interest bearing debt/Adjusted EBITDAR ⁽⁸⁾	2.23 : 1	2.44 : 1	
Returns:			
Return on equity ⁽⁹⁾	22.1%	22.6%	
Return on capital employed ⁽¹⁰⁾	14.0%	13.3%	

(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 and chemicals.

(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 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.

(9) 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.

(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: 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 \$9.2 billion in the first quarter of fiscal 2015, up \$288.0 million, an increase of 3.2%, mainly attributable to the contribution from acquisitions, to the continued growth in same-store merchandise revenues and road transportation fuel volume in both North America and Europe as well as to higher road transportation fuel average retail prices. These items contributing to the growth in revenues were partly offset by the negative net impact from the translation of revenues of our Canadian and European operations into US dollars.

More specifically, the growth of merchandise and service revenues for the first quarter of fiscal 2015 was \$36.1 million. Excluding the net negative impact from the translation of our European and Canadian operations into US dollars, consolidated merchandise and service revenues increased by \$60.1 million or 3.1%. This increase is attributable to the contribution from acquisitions amounting to approximately \$12.0 million as well as to strong organic growth. Same-store merchandise revenues increased by 2.8% in the United States and by 3.3% in Canada. Our performance in North America is attributable to our dynamic merchandising strategies, our competitive offer as well as our expanded fresh food offer which attracted an increased number of customers in our stores. Our performance in the United States is even more impressive considering we were once again able to grow store traffic while increasing our gross margin. 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 seventh consecutive quarter, same-store merchandise revenues in Europe posted a growth, which was of 1.2% for the first quarter of fiscal 2015, mainly driven by increased fresh food, coffee and tobacco sales.

Road transportation fuel revenues increased by \$267.9 million in the first quarter of fiscal 2015. Excluding the negative net impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues increased by \$297.9 million or 4.7%. This increase was mainly attributable to the contribution from acquisitions amounting to approximately \$131.0 million, to organic growth as well as to the overall higher road transportation fuel average retail price, which had an impact of approximately \$47.0 million. In the United States and in Canada, same-store road transportation fuel volume increased by 1.8% and 0.3%, respectively. In Europe, for the seventh consecutive quarter, same-store road transportation fuel volume showed a positive development where same-store volume increased by 1.7% which represents a strong improvement over the trend that our European network was posting before we acquired Statoil Fuel & Retail. Our new fuel brand "milesTM" launched in some of our European markets is delivering encouraging results and was again a great contributor to this quarter performance. With respect to the decrease in road transportation fuel total volume in Europe, it derives from the lost volume in our wholesale segment following the non-renewal of several low return contracts, as well as of fewer days in the first quarter of fiscal 2015 compared to the same period in fiscal 2014.

The following table shows the average retail price of road transportation fuel in our various markets, starting with the second quarter of the fiscal year ended April 28, 2013:

Quarter	2 nd	3 rd	4 th	1 st	Weighted average
52-week period ended July 20, 2014					
United States (US dollars per gallon)	3.45	3.24	3.47	3.59	3.43
Europe (US cents per litre)	103.25	107.49	104.11	101.53	106.46
Canada (CA cents per litre)	117.05	113.11	118.74	121.64	117.34
52-week period ended July 21, 2013					
United States (US dollars per gallon)	3.65	3.35	3.61	3.51	3.52
Europe (US cents per litre)	103.96	104.71	103.80	100.72	103.59
Canada (CA cents per litre)	117.41	110.43	115.65	114.53	114.23

Other revenues were quite stable with a slight decrease of \$16.0 million in the first quarter of fiscal 2015.

Gross profit

In the first quarter of fiscal 2015, the consolidated merchandise and service gross profit was \$676.2 million, an increase of \$17.9 million compared with the corresponding quarter of fiscal 2014. Excluding the net negative impact from the translation of our European and Canadian operations into US dollars, consolidated merchandise and service gross profit increased by \$26.9 million or 4.1%. This increase is attributable to the contribution from acquisitions which amounted to approximately \$4.0 million as well as to our improved consolidated gross margin. In the United States and in Europe, the gross margin increased by 0.6% and 1.3%, respectively, while it decreased by 0.7% in Canada. Overall, this performance reflects changes in the product-mix, the improvements 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 gross margin was favorably impacted by the shift of our product-mix toward higher margin categories, including fresh food as well as by a lower level of promotional activity than during the first quarter of fiscal 2014. In Europe, the increase in gross margin came from increased coffee and fresh food sales, two high margin categories, while in Canada, the decrease is attributable to changes in our product-mix following increased cigarette sales as well as to our pricing strategies aimed at increasing store traffic.

In the first quarter of fiscal 2015, the road transportation fuel gross margin for our company-operated stores in the United States increased by 3.66 ¢ per gallon, from 19.42 ¢ per gallon last year to 23.08 ¢ per gallon this year. In Canada, the gross margin also increased to CA6.44¢ per litre compared with CA5.52¢ per litre for the first quarter of fiscal 2014. In Europe, the total road transportation fuel gross margin was 11.67 ¢ per litre for the first quarter of fiscal 2015, an increase of 1.41 ¢ per litre compared with 10.26 ¢ per litre for the first quarter of fiscal 2014. 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 second quarter of fiscal year ended April 28, 2013, were as follows:

(US cents per gallon)

Quarter	2 nd	3 rd	4 th	1 st	Weighted average
52-week period ended July 20, 2014					
Before deduction of expenses related to electronic payment modes	21.56	17.02	14.85	23.08	18.99
Expenses related to electronic payment modes	5.04	4.79	4.98	5.27	5.00
After deduction of expenses related to electronic payment modes	16.52	12.23	9.87	17.81	13.99
52-week period ended July 21, 2013					
Before deduction of expenses related to electronic payment modes	15.20	17.80	19.30	19.42	17.95
Expenses related to electronic payment modes	5.15	4.79	5.03	4.99	4.98
After deduction of expenses related to electronic payment modes	10.05	13.01	14.27	14.43	12.97

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.

Expenses related to electronic payment modes and associated volatility are not as significant in Europe and in Canada.

Operating, selling, administrative and general expenses

For the first quarter of fiscal 2015, operating, selling, administrative and general expenses increased by 1.0% compared with the first quarter of fiscal 2014 but increased by only 0.7% if we exclude certain items, as demonstrated by the following table:

	12-week period ended July 20, 2014
Total variance as reported	1.0%
Subtract:	
Increase from incremental expenses related to acquisitions	0.7%
Increase from higher electronic payment fees, excluding acquisitions	0.6%
Decrease from the net impact of foreign exchange translation	(1.0%)
Remaining variance	0.7%

The remaining variance is mainly due to normal inflation as well as to higher expenses needed to support our organic growth. We continue to favour a tight control of our costs throughout the organization while making sure to maintain the quality of service we offer our clients.

In Europe, expense level is still affected by the optimization of our new ERP system. Our IT costs should continue to decrease progressively over the course of the next quarters.

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

During the first quarter of fiscal 2015, EBITDA increased by 9.9% compared to the same quarter last year, reaching \$496.7 million. Net of acquisition costs recorded to earnings, acquisitions contributed approximately \$8.0 million to EBITDA, while the variation in exchange rates had a net negative impact of approximately \$4.0 million.

Excluding the negative goodwill from both comparable periods, the first quarter of fiscal 2015 adjusted EBITDA increased by \$85.7 million or 20.9% compared to the corresponding period of the previous fiscal year.

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	
	July 20, 2014	July 21, 2013
Net earnings, as reported	269.5	255.0
Add:		
Income taxes	70.5	59.5
Net financial expenses	30.0	11.7
Depreciation, amortization and impairment of property and equipment and other assets	126.7	125.9
EBITDA	496.7	452.1
Remove:		
Negative goodwill	(0.5)	(41.6)
Adjusted EBITDA	496.2	410.5

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

For the first quarter of fiscal 2015, 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 first quarter of fiscal 2015 shows net financial expenses of \$30.0 million, an increase of \$18.3 million compared to the first quarter of fiscal 2014. Excluding the net foreign exchange loss of \$8.7 million and the net foreign exchange gain of \$13.2 million recorded respectively in the first quarter of fiscal 2015 and in the first quarter of fiscal 2014, net financial expenses decreased by \$3.6 million. The decrease is mainly attributable to the reduction of our long-term debt following repayments made on our revolving and acquisition facilities partly offset by a higher average effective interest rate as well as by the accelerated amortization of our financing fees following the repayment of our acquisition facility ahead of its maturity. The net foreign exchange loss of \$8.7 million is mainly due to the impact of the exchange rate fluctuations on certain inter-company balances and on our 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 first quarter of fiscal 2015 shows an income tax rate of 20.7%, compared to an income tax rate of 18.9% for the corresponding quarter of the previous year. This increase is mainly derived from our overall higher taxable income, especially in the United States where we have our highest statutory tax rate as well as from the decrease in our financial fees following the significant repayments we made on our long-term debt.

Net earnings

We closed the first quarter of fiscal 2015 with net earnings of \$269.5 million, compared to \$255.0 million for the first quarter of the previous fiscal year. Diluted net earnings per share stood at \$0.47, compared to \$0.45 the previous year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net negative impact of approximately \$3.0 million on net earnings this quarter.

Excluding from the first quarter of fiscal 2015 net earnings the net foreign exchange loss, the negative goodwill as well as acquisition costs and excluding from the first quarter of fiscal 2014 net earnings the negative goodwill, the net foreign exchange gain as well as acquisition costs, this quarter net earnings would have been approximately \$276.0 million, compared to \$220.0 million last year, an increase of \$56.0 million or 25.5%. Adjusted diluted net earnings per share would have been \$0.48 for the first quarter of fiscal 2015 compared to \$0.39 for the corresponding period of fiscal 2014, an increase of 23.1%.

Financial Position as at July 20, 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 \$10.4 billion as at July 20, 2014, a decrease of \$106.4 million over the balance as at April 27, 2014. This decrease stems primarily from the net negative impact of the exchange rates variation at the balance sheet date, partly offset by the overall rise in assets resulting from the acquisitions we made during the first quarter of fiscal 2015.

During the 52-week period ended on July 20, 2014, we recorded a return on capital employed of 14.0%¹.

Significant balance sheet variations are explained as follows:

Property and equipment

Property and equipment decreased by \$66.9 million, from \$5,131.0 million as at April 27, 2014 to \$5,064.1 million as at July 20, 2014, mainly as a result of the net negative impact of the exchange rates variation at the balance sheet date, which was approximately \$66.0 million.

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

Long-term debt decreased by \$137.0 million, from \$2,606.4 million as at April 27, 2014 to \$2,469.4 million as at July 20, 2014, partly as a result of the impact of the strengthening of the Canadian dollar against the United States dollar at the balance sheet date. Excluding the foreign exchange impact, our long-term debt decreased by approximately \$170.0 million from repayments made from available cash. As a result, our debt, net of cash and cash equivalents, amounted to \$1,870.2 million as at July 20, 2014, a reduction of \$225.1 million compared to the balance as at April 27, 2014.

Subsequent to the end of the quarter, we also repaid a total of \$260.0 million on our acquisition facility and revolving facilities from available cash. Following these repayments, we have fully reimbursed our \$3.2 billion acquisition facility used for the acquisition of Statoil Fuel & Retail in June 2012.

Shareholders' Equity

Shareholders' equity amounted to \$4.1 billion as at July 20, 2014, up \$144.4 million compared to April 27, 2014, mainly reflecting net earnings of the first quarter of fiscal 2015, partly offset by dividends declared and other comprehensive loss. For the 52-week period ended July 20, 2014, we recorded a return on equity of 22.1%².

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 first quarter of fiscal 2015 and for the last three quarters of fiscal 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 first quarter of fiscal 2015 and for the last three quarters of fiscal 2014.

Liquidity and Capital Resources

Our sources of liquidity remain unchanged compared with the fiscal year ended April 27, 2014. For further information, please refer to our 2014 Annual Report. With respect to our capital expenditures and acquisitions carried out in the first quarter of fiscal 2015, they were financed using available cash. We expect that cash generated from operations together with borrowings available under our revolving unsecured credit facilities will be adequate to meet our liquidity needs in the foreseeable future.

Our revolving credit facilities are detailed as follow:

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

On May 16, 2014, we amended our term revolving unsecured operating credit 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 fees. All other terms remain unchanged. As at July 20, 2014, \$973.5 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\$1.3 million and \$29.4 million were outstanding.

Term revolving unsecured operating credit E, maturing in December 2016

Credit agreement consisting 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 July 20, 2014, the term credit E was unused.

Available liquidities

As at July 20, 2014, a total of approximately \$571.0 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 \$1.2 billion through our available cash and revolving unsecured operating credit agreements.

Selected Consolidated Cash Flow Information

	12-week periods ended		
	July 20, 2014	July 21, 2013	Variation
(In millions of US dollars)			
Operating activities			
Net cash provided by operating activities	351.3	310.3	40.0
Investing activities			
Purchase of property and equipment and other assets, net of proceeds from the disposal of property and equipment and other assets	(54.3)	(54.4)	0.1
Business acquisitions	(31.8)	(91.4)	59.6
Other	(0.3)	20.7	(21.0)
Net cash used in investing activities	(86.4)	(125.1)	38.7
Financing activities			
Repayment of the acquisition facility	(360.0)	(603.0)	243.0
Net increase in other debt	175.0	400.4	(225.4)
Issuance of shares upon exercise of stock-options	-	1.2	(1.2)
Net cash used in financing activities	(185.0)	(201.4)	16.4
Credit ratings			
Standard and Poor's – Corporate credit rating	BBB-	BBB-	
Moody's - Senior unsecured notes credit rating	Baa2	Baa3	

Operating activities

During the first quarter of fiscal 2015, net cash from our operations reached \$351.3 million, up \$40.0 million compared to the first quarter of fiscal year 2014, 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 the first quarter of fiscal 2015, investing activities were primarily for net investments in property and equipment and other assets which amounted to \$54.3 million and for acquisitions for an amount of \$31.8 million. 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 the first quarter of fiscal 2015, we repaid an amount of \$360.0 million under our acquisition facility using amounts drawn under our revolving facilities. During the same period, we also repaid an amount of \$180.0 million on our revolving facilities using available cash.

Contractual Obligations and Commercial Commitments

There were no major changes during the 12-week period ended July 20, 2014, with respect to our contractual obligations and commercial commitments. For more information, please refer to our 2014 Annual Report.

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)	12-week period ended July 20, 2014	52-week period ended April 27, 2014					Extract from 52-week period ended April 28, 2013		
		1 st	4 th	3 rd	2 nd	1 st	4 th	3 rd	2 nd
Quarter									
Weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks	
Revenues	9,189.2	8,952.3	11,093.2	9,009.9	8,901.2	8,776.0	11,467.0	9,287.7	
Operating income before depreciation, amortization and impairment of property and equipment and other assets	492.0	296.3	420.5	457.3	443.4	292.7	391.4	365.6	
Depreciation, amortization and impairment of property and equipment and other assets	126.7	142.0	186.0	129.3	125.9	138.1	182.5	134.3	
Operating income	365.3	154.3	234.5	328.0	317.5	154.6	208.9	231.3	
Share of earnings of joint ventures and associated companies accounted for using the equity method	4.7	3.9	4.6	5.5	8.7	3.0	3.9	3.7	
Net financial expenses	30.0	26.9	21.8	50.2	11.7	20.7	49.4	15.9	
Net earnings	269.5	145.1	182.3	229.8	255.0	146.4	142.2	181.3	
Net earnings per share									
Basic	\$0.48	\$0.26	\$0.32	\$0.41	\$0.45	\$0.26	\$0.25	\$0.33	
Diluted	\$0.47	\$0.25	\$0.32	\$0.40	\$0.45	\$0.26	\$0.25	\$0.32	

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.

Outlook

For the remainder of fiscal 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.

Similar to prior years, we will pay special attention to the realization of synergies related to the Statoil Fuel & Retail's acquisition and to the reduction of our debt level in order to continue to improve our financial flexibility and hopefully further 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.

September 3, 2014

CONSOLIDATED STATEMENTS OF EARNINGS
(in millions of US dollars, except per share amounts, unaudited)

For the 12-week periods ended	July 20, 2014	July 21, 2013
	\$	\$
Revenues	9,189.2	8,901.2
Cost of sales	7,908.9	7,718.2
Gross profit	1,280.3	1,183.0
Operating, selling, administrative and general expenses	788.8	781.2
Negative goodwill (Note 3)	(0.5)	(41.6)
Depreciation, amortization and impairment of property and equipment, intangibles and other assets	126.7	125.9
	915.0	865.5
Operating income	365.3	317.5
Share of earnings of joint ventures and associated companies accounted for using the equity method	4.7	8.7
Financial expenses	23.2	29.3
Financial revenues	(1.9)	(4.4)
Foreign exchange loss (gain)	8.7	(13.2)
Net financial expenses	30.0	11.7
Earnings before income taxes	340.0	314.5
Income taxes	70.5	59.5
Net earnings	269.5	255.0
Net earnings attributable to:		
Shareholders of the Corporation	269.2	254.9
Non-controlling interest	0.3	0.1
Net earnings	269.5	255.0
Net earnings per share (Note 5)		
Basic	0.48	0.45
Diluted	0.47	0.45
Weighted average number of shares (in thousands)	565,756	562,758
Weighted average number of shares – diluted (in thousands)	568,504	567,612
Number of shares outstanding at end of period (in thousands)	565,759	563,033

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of US dollars, unaudited)

For the 12-week periods ended	July 20, 2014	July 21, 2013
	\$	\$
Net earnings	269.5	255.0
Other comprehensive income		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Changes in cumulative translation adjustments	(121.6)	(87.7)
Change in fair value of financial instruments designated as a hedge of the Corporation's net investment in its U.S. operations ⁽¹⁾	17.9	(6.5)
Net interest on financial instruments designated as a hedge of the Corporation's net investment in its U.S. operations ⁽²⁾	0.6	0.9
Cash flow hedges		
Change in fair value of financial instruments ⁽³⁾	(0.5)	1.3
Gain realized on financial instruments reclassified to earnings ⁽⁴⁾	-	(1.3)
Other comprehensive loss	(103.6)	(93.3)
Comprehensive income	165.9	161.7
Comprehensive income attributable to:		
Shareholders of the Corporation	165.6	161.6
Non-controlling interest	0.3	0.1
Comprehensive income	165.9	161.7

(1) For the 12 week periods ended July 20, 2014 and July 21, 2013, these amounts are net of income taxes of \$4.5 and \$2.4, respectively.

(2) For the 12 week periods ended July 20, 2014 and July 21, 2013, these amounts are net of income taxes of \$0.2 and \$0.2, respectively.

(3) For the 12 week periods ended July 20, 2014 and July 21, 2013, these amounts are net of income taxes of \$0.5 and \$0.2, respectively.

(4) For the 12 week period ended July 21, 2013, this amount is net of income taxes of \$0.2.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of US dollars, unaudited)

For the 12-week period ended

July 20, 2014

	Attributable to the shareholders of the Corporation					Non-controlling interest	Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income (Note 6)	Total		
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of period	686.5	11.6	3,077.4	186.9	3,962.4	14.2	3,976.6
Comprehensive income:							
Net earnings			269.2		269.2	0.3	269.5
Other comprehensive loss				(103.6)	(103.6)		(103.6)
Comprehensive income					165.6	0.3	165.9
Dividends			(21.2)		(21.2)		(21.2)
Balance, end of period	686.5	11.6	3,325.4	83.3	4,106.8	14.5	4,121.3

For the 12-week period ended

July 21, 2013

	Attributable to the shareholders of the Corporation					Non-controlling interest	Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income (Note 6)	Total		
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of period	670.4	16.5	2,344.0	185.8	3,216.7	-	3,216.7
Comprehensive income:							
Net earnings			254.9		254.9	0.1	255.0
Other comprehensive loss				(93.3)	(93.3)		(93.3)
Comprehensive income					161.6	0.1	161.7
Dividends			(13.6)		(13.6)		(13.6)
Addition to non-controlling interest					-	13.2	13.2
Redemption liability			(13.2)		(13.2)		(13.2)
Stock option-based compensation expense		(0.1)			(0.1)		(0.1)
Initial fair value of stock options exercised	0.7	(0.7)			-		-
Cash received upon exercise of stock options	1.2				1.2		1.2
Balance, end of period	672.3	15.7	2,572.1	92.5	3,352.6	13.3	3,365.9

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of US dollars, unaudited)

For the 12-week periods ended	July 20, 2014	July 21, 2013
	\$	\$
Operating activities		
Net earnings	269.5	255.0
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation, amortization and impairment of property and equipment, intangible and other assets, net of amortization of deferred credits	99.9	101.7
Deferred income taxes	(29.9)	(18.6)
(Gain) loss on disposal of property and equipment and other assets	(2.5)	0.1
Negative goodwill (Note 3)	(0.5)	(41.6)
Share of earnings of joint ventures and associated companies accounted for using the equity method, net of dividends received	(0.3)	(7.8)
Deferred credits	0.1	6.9
Other	2.5	1.4
Changes in non-cash working capital	12.5	13.2
Net cash provided by operating activities	351.3	310.3
Investing activities		
Purchase of property and equipment and other assets	(71.1)	(77.9)
Business acquisitions (Note 3)	(31.8)	(91.4)
Proceeds from disposal of property and equipment and other assets	16.8	23.5
Restricted cash	(0.3)	20.7
Net cash used in investing activities	(86.4)	(125.1)
Financing activities		
Repayment under the unsecured non-revolving acquisition credit facility (Note 4)	(360.0)	(603.0)
Net increase in other debt (Note 4)	175.0	400.4
Issuance of shares upon exercise of stock-options	-	1.2
Net cash used in financing activities	(185.0)	(201.4)
Effect of exchange rate fluctuations on cash and cash equivalents	8.2	(20.4)
Net increase (decrease) in cash and cash equivalents	88.1	(36.6)
Cash, cash equivalents and bank overdraft, beginning of period	511.1	658.3
Cash and cash equivalents end of period	599.2	621.7
Supplemental information:		
Interest paid	19.0	30.7
Interest and dividends received	5.5	4.5
Income taxes paid	52.9	78.8
Cash and cash equivalents components:		
Cash and demand deposits	588.5	473.6
Liquid investments	10.7	148.1
	599.2	621.7

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(in millions of US dollars, unaudited)

	As at July 20, 2014	As at April 27, 2014
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	599.2	511.1
Restricted cash	1.3	1.0
Accounts receivable	1,716.8	1,726.4
Inventories	855.3	848.0
Prepaid expenses	49.7	60.0
Income taxes receivable	22.9	68.4
	3,245.2	3,214.9
Property and equipment	5,064.1	5,131.0
Goodwill	1,075.4	1,088.7
Intangible assets	790.2	823.5
Other assets	146.6	159.8
Investment in joint ventures and associated companies	75.5	75.4
Deferred income taxes	41.6	51.7
	10,438.6	10,545.0
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,473.4	2,510.3
Provisions	101.0	102.4
Income taxes payable	30.3	29.8
Bank loans and current portion of long-term debt (Note 4)	212.5	20.3
	2,817.2	2,662.8
Long-term debt (Note 4)	2,256.9	2,586.1
Provisions	377.3	390.5
Pension benefit liability	119.6	119.8
Other financial liabilities	51.5	73.9
Deferred credits and other liabilities	163.3	169.5
Deferred income taxes	531.5	565.8
	6,317.3	6,568.4
Equity		
Capital stock (Note 7)	686.5	686.5
Contributed surplus	11.6	11.6
Retained earnings	3,325.4	3,077.4
Accumulated other comprehensive income	83.3	186.9
Equity attributable to shareholders of the Corporation	4,106.8	3,962.4
Non-controlling interest	14.5	14.2
	4,121.3	3,976.6
	10,438.6	10,545.0

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(in millions of US dollars unless otherwise noted, except per share amounts, unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS PRESENTATION

The unaudited interim condensed consolidated financial statements (the “interim financial statements”) have been prepared by the Corporation in accordance with generally accepted accounting principles in Canada as set out in Part I of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting, which incorporates International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim financial statements were prepared in accordance with the same accounting policies and methods as the audited annual consolidated financial statements for the year ended April 27, 2014, except those disclosed in Note 2. The interim financial statements do not include all the information required for complete financial statements and should be read in conjunction with the audited annual consolidated financial statements and notes thereto in the Corporation’s 2014 Annual Report. The results of operations for the interim periods presented do not necessarily reflect results expected for the full fiscal year. The Corporation’s business follows a seasonal pattern. The busiest period is the first half-year of each fiscal year, which includes summer’s sales. These interim financial statements have not been subject to a review engagement by the Corporation’s external auditors.

On September 3, 2014, the Corporation’s interim financial statements were approved by the board of directors who also approved their publication.

2. ACCOUNTING CHANGES

New interpretation

On April 28, 2014, the Corporation adopted the new interpretation IFRIC 21, “Levies”. The interpretation identifies the obligating event for the recognition of a liability for a levy imposed by a government and provides guidance on when to recognize the liability. The adoption of this interpretation did not have a significant impact on the Corporation’s consolidated financial statements.

Recently issued but not yet implemented

Classification and measurement of financial assets and financial liabilities

In July 2014, the IASB completed IFRS 9, “Financial Instruments” in its three-part project to replace 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. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase. The standard is effective for fiscal years beginning on or after January 1st, 2018. The Corporation will assess, in due course, the impact of this standard on its consolidated financial statements.

Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, “Revenue from Contracts with Customers”, to specify how and when to recognize revenue as well as requiring the provision of more informative and relevant disclosures. IFRS 15 supersedes IAS 18, “Revenue”, IAS 11, “Construction Contracts”, and other revenue related interpretations. This standard is effective for annual reporting periods beginning on or after January 1st, 2017 with earlier adoption permitted. The Corporation will assess, in due course, the impact of this standard on its consolidated financial statements.

3. BUSINESS ACQUISITIONS

- On June 23, 2014 the Corporation acquired 13 company-operated stores and two non-operating stores in South Carolina, United States from Garvin Oil Company. The Corporation owns the land and buildings for all sites.
- During the 12-week period ended July 20, 2014, the Corporation also acquired five other stores through distinct transactions. The Corporation owns the land and buildings for all sites.

For the 12-week period ended July 20, 2014, acquisition costs of \$0.2 in connection with these acquisitions and other unrealized acquisitions are included in Operating, selling, administrative and general expenses.

These acquisitions were settled for a total cash consideration of \$31.8. Since the Corporation has not completed its fair value assessment of the assets acquired, the liabilities assumed and goodwill for all transactions, the preliminary allocations of certain acquisitions are subject to adjustments to the fair value of the assets, liabilities and goodwill until the process is

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completed. Purchase price allocations based on the estimated fair value on the date of acquisition and available information as at the date of publication of these consolidated financial statements is as follows:

	\$
Tangible assets acquired	
Inventories	1.6
Property and equipment	30.8
Total tangible assets	32.4
Liabilities assumed	
Accounts payable and accrued liabilities	0.2
Provisions	0.3
Total liabilities	0.5
Net tangible assets acquired	31.9
Goodwill	0.4
Negative goodwill recorded to earnings	(0.5)
Total cash consideration paid	31.8

The Corporation expects that none of the goodwill related to these transactions will be deductible for tax purposes.

These acquisitions were concluded in order to expand the Corporation's market share, to penetrate new markets and to increase its economies of scale. These acquisitions generated goodwill mainly due to the strategic location of stores acquired and negative goodwill due to the difference between the acquisition price and the fair value of net assets acquired. Since the date of acquisition, revenues and net earnings from these stores amounted to \$10.1 and \$0.3, respectively. Considering the nature of these acquisitions, the available financial information does not allow for the accurate disclosure of pro-forma revenues and net earnings had the Corporation concluded these acquisitions at the beginning of its fiscal year.

4. BANK LOANS AND LONG-TERM DEBT

	As at July 20, 2014	As at April 27, 2014
	\$	\$
Canadian dollar denominated senior unsecured notes maturing on various dates from November 2017 to November 2022	1,205.7	1,172.7
US dollar denominated term revolving unsecured operating credit D, maturing in December 2017	973.5	793.5
US dollar denominated unsecured non-revolving acquisition credit facility, maturing in June 2015	195.0	552.3
NOK denominated floating rate bonds, maturing in February 2017	2.4	2.5
NOK denominated fixed rate bonds, maturing in February 2019	2.1	2.2
Borrowings under bank overdraft facilities, maturing at various dates	-	1.8
Other debts, including finance leases, maturing at various dates	90.7	81.4
	2,469.4	2,606.4
Bank loans and current portion of long-term debt	212.5	20.3
	2,256.9	2,586.1

On May 16, 2014, the Corporation amended its term revolving unsecured operating credit D to increase the maximum amount available from \$1,275.0 to \$1,525.0. All other terms remain unchanged.

5. NET EARNINGS PER SHARE

The following table presents the information for the computation of basic and diluted net earnings per share:

	12-week period ended July 20, 2014			12-week period ended July 21, 2013		
	Net earnings \$	Weighted average number of shares (in thousands)	Net earnings per share \$	Net earnings \$	Weighted average number of shares (in thousands)	Net earnings per share \$
Basic net earnings attributable to Class A and B shareholders	269.2	565,756	0.48	254.9	562,758	0.45
Dilutive effect of stock options		2,748	(0.01)		4,854	-
Diluted net earnings available for Class A and B shareholders	269.2	568,504	0.47	254.9	567,612	0.45

When they have an anti-dilutive effect, stock options must be excluded from the calculation of the diluted net earnings per share. For the 12-week period ended July 20, 2014 18,144 stock options were excluded (no stock options were excluded for the 12-week period ended July 21, 2013).

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6. ACCUMULATED OTHER COMPREHENSIVE INCOME

As at July 20, 2014

	Attributable to shareholders of the Corporation					
	Items that may be reclassified to earnings				Will never be reclassified to earnings	Accumulated other comprehensive income
	Cumulative translation adjustments	Net investment hedge	Net interest on net investment hedge	Cash flow hedge	Cumulative net actuarial loss	
	\$	\$	\$	\$	\$	\$
Balance, before income taxes	125.1	(51.5)	6.9	3.4	(6.8)	77.1
Less: Income taxes	-	(6.8)	1.9	0.5	(1.8)	(6.2)
Balance, net of income taxes	125.1	(44.7)	5.0	2.9	(5.0)	83.3

As at July 21, 2013

	Attributable to shareholders of the Corporation					
	Items that may be reclassified to earnings				Will never be reclassified to earnings	Accumulated other comprehensive income
	Cumulative translation adjustments	Net investment hedge	Net interest on net investment hedge	Cash flow hedge	Cumulative net actuarial loss	
	\$	\$	\$	\$	\$	\$
Balance, before income taxes	116.6	(29.3)	3.7	2.1	(7.1)	86.0
Less: Income taxes	-	(5.9)	1.0	0.4	(2.0)	(6.5)
Balance, net of income taxes	116.6	(23.4)	2.7	1.7	(5.1)	92.5

7. CAPITAL STOCK

Stock options

For the 12-week period ended July 20, 2014, a total of 11,790 stock options were exercised (380,430 for the 12-week period ended July 21, 2013).

Issued and outstanding shares

As at July 20, 2014, the Corporation has 148,101,840 (148,101,840 as at April 27, 2014) issued and outstanding Class A multiple voting shares each comprising ten votes per share and 417,657,090 (417,646,072 as at April 27, 2014) outstanding Class B subordinate voting shares each comprising one vote per share.

8. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe and in Canada. It essentially operates in one reportable segment, the sale of goods for immediate consumption, road transportation fuel and other products mainly through corporate stores and franchise operations. The Corporation operates its convenience store chain under several banners, including Couche-Tard, Mac's, Circle K and Statoil. Revenues from external customers mainly fall into three categories: merchandise and services, road transportation fuel and other.

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Information on the principal revenue classes as well as geographic information is as follows:

	12-week period ended July 20, 2014				12-week period ended July 21, 2013			
	United States	Europe	Canada	Total	United States	Europe	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
External customer revenues^(a)								
Merchandise and services	1,197.2	258.3	528.3	1,983.8	1,153.7	248.5	545.5	1,947.7
Road transportation fuel	3,915.5	1,972.8	724.1	6,612.4	3,599.9	2,052.1	692.5	6,344.5
Other	3.6	589.3	0.1	593.0	2.4	606.5	0.1	609.0
	5,116.3	2,820.4	1,252.5	9,189.2	4,756.0	2,907.1	1,238.1	8,901.2
Gross Profit								
Merchandise and services	392.1	108.1	176.0	676.2	372.0	101.0	185.3	658.3
Road transportation fuel	249.2	224.6	41.7	515.5	190.0	209.1	36.7	435.8
Other	3.6	84.9	0.1	88.6	2.4	86.4	0.1	88.9
	644.9	417.6	217.8	1,280.3	564.4	396.5	222.1	1,183.0
Total long-term assets^(b)	2,858.2	3,646.4	605.5	7,110.1	2,798.6	3,760.1	614.2	7,172.9

(a) Geographic areas are determined according to where the Corporation generates operating income (where the sale takes place) and according to the location of the long-term assets.

(b) Excluding financial instruments, deferred tax assets and post-employment benefit assets.

9. FAIR VALUES

The fair value of Trade accounts receivable and vendor rebates receivable, Credit and debit cards receivable and Accounts payable and accrued liabilities is comparable to their carrying amount given their short maturity. The fair value of Obligations related to buildings and equipment under finance leases is comparable to their carrying amount given that rent is generally at market value. The carrying values of the Term revolving unsecured operating credits and Unsecured non-revolving acquisition credit approximates their fair values given that their credit spreads are similar to the credit spreads the Corporation would obtain in similar conditions at the reporting date.

The estimated fair value of each class of financial instruments and the methods and assumptions that were used to determine it are as follows:

- The fair value of the investment contract including an embedded total return swap, which is based on the fair market value of the Corporation's Class B shares is \$28.7 as at July 20, 2014 (\$36.6 as at April 27, 2014);
- The fair value of the senior unsecured notes, which is based on observable market data, is \$1,240.9 as at July 20, 2014 (\$1,191.5 as at April 27, 2014);
- The fair value of the cross-currency interest rate swaps, which is determined based on market rates obtained from the Corporation's financial institutions for similar financial instruments is \$51.5 as at July 20, 2014 (\$73.9 as at April 27, 2014). They are presented as other financial liabilities on the consolidated balance sheet.

Fair value hierarchy

Fair value measurements are categorized in accordance with the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 but that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

10. SUBSEQUENT EVENTS

Acquisition

In July 2014, the Corporation reached an agreement with Tri Star Marketing inc. to acquire 55 company operated-stores in the U.S. states of Illinois and Indiana. Pursuant to this transaction, the Corporation would own the land and buildings for 54 sites and would lease those assets for the remaining site.

The Corporation expects to close this transaction in October 2014. This transaction is subject to standard regulatory approvals and closing conditions.

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Disposal of aviation fuel business

On September 3, 2014, the Corporation reached an agreement to sell its aviation fuel business to Air BP. The sale would be done through a share purchase agreement pursuant to which Air BP would acquire 100% of all issued and outstanding shares of Statoil Fuel & Retail Aviation AS. This transaction which is subject to standard regulatory approvals and closing conditions is expected to be completed by the end of December 2014.

Dividends

The Board of Directors decided to increase the quarterly dividend by CA0.5¢ per share to CA4.5¢ per share.

During its September 3, 2014 meeting, the Corporation's Board of Directors declared a quarterly dividend of CA4.5¢ per share for the first quarter of fiscal 2015 to shareholders on record as at September 12, 2014 and approved its payment for September 26, 2014. This is an eligible dividend within the meaning of the Income Tax Act of Canada.



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