**ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS FIRST QUARTER OF FISCAL YEAR 2018**

- Closing of the CST Brands Inc. ("CST") acquisition on June 28, 2017, for a total enterprise value of $4.4 billion, including assumed net debt. Disposal, on the same date, of a significant portion of CST's Canadian assets. From this date, CST's results, balance sheet and cash flows are included in our consolidated financial statements. Results, balance sheet and cash flows are also consolidated for CrossAmerica Partners LP ("CAPL"), including the impact of the non-controlling interest.
- Net earnings attributable to shareholders of the Corporation ("net earnings") of $364.7 million ($0.64 per share on a diluted basis) for the first quarter of fiscal 2018 compared with $322.8 million ($0.56 per share on a diluted basis) for the first quarter of fiscal 2017. Excluding certain items for both comparable periods, net earnings for the quarter would have been approximately $380.1 million[1] ($0.67 per share on a diluted basis) compared with $327.0 million[1] ($0.57 per share on a diluted basis) for the first quarter of fiscal 2017, an increase of 16.5%.
- Total merchandise revenues were $2.8 billion, an increase of 9.8%. Same-store merchandise revenues increased by 1.4% in the U.S. and in Europe and decreased by 0.2% in Canada.
- Merchandise and service gross margin increased by 0.1% in the U.S., to 33.3%, by 0.4% in Europe, to 42.1% and by 1.8% in Canada, to 35.0%.
- Total road transportation fuel volumes grew by 15.8%. Same-store road transportation fuel volumes growth of 0.4% in the U.S. Same-store volumes decreased by 0.3% in Europe and by 0.2% in Canada.
- Road transportation fuel gross margin decreased by US 0.11¢ per gallon in the U.S. to US 20.75¢ per gallon, negatively impacted by lower margins for the CST network. Excluding CST stores, gross margin in the US would have been US 21.20¢ per gallon. Gross margin increased by US 0.27¢ per litre in Europe, to US 8.97¢ per litre and increased by CA 1.44¢ per litre in Canada, to CA 8.22¢ per litre.
- Current annual costs reduction run rate related to the CST integration reached approximately $47.0 million.
- Acquisition of 53 company-operated sites operating under the *Cracker Barrel* brand in Louisiana, 7 of which were closed by the Corporation on the same date.
- Definitive agreement to acquire all the issued and outstanding shares of Holiday Stationstores, Inc. and certain affiliated companies.
- The Corporation's global rebranding project is still successfully progressing in Poland, in the Baltic countries, in the US and has recently been launched in Canada. Close to 1,800 stores in North America and close to 1,300 stores in Europe now display Couche-Tard's new Circle K global brand.
- Return on equity and return on capital employed at 21.1% and 11.8%, respectively, on a pro-forma basis.

**Laval, Quebec, Canada, September 6, 2017** – For its first quarter ended July 23, 2017, Alimentation Couche-Tard Inc. (TSX: ATD.A ATD.B) announces net earnings attributable to shareholders of the Corporation ("net earnings") of $364.7 million, representing $0.64 per share on a diluted basis. The results for the first quarter of fiscal 2018 were affected by pre-tax restructuring and integration costs of $43.2 million (of which $5.2 million is attributable to non-controlling interest), a pre-tax net foreign exchange loss of $20.3 million, a $13.4 million tax recovery following an internal reorganization, an $11.5 million pre-tax gain on the disposal of a terminal, an $8.8 million pre-tax gain on the investment the Corporation held in CST, as well as a $3.7 million pre-tax accelerated depreciation and amortization expense in connection with the Corporation's global brand initiative. The results for the comparable quarter of fiscal 2017 included a $6.9 million pre-tax accelerated depreciation and amortization expense in connection with the Corporation's global brand initiative as well as a pre-tax net foreign exchange gain of $3.2 million. Excluding these items, as well as acquisition costs, the adjusted diluted net earnings per share would have been $0.67 for the first quarter of fiscal 2018, an increase of 17.5%, driven by the contribution from acquisitions, by Couche-Tard's

[1] Please refer to section "Net earnings and adjusted net earnings attributable to shareholders of the Corporation" of this press release for additional information on this performance measure not defined by IFRS.

continued organic growth as well as by the impact of a lower income tax rate. All financial information is in US dollars unless stated otherwise.

"On behalf of the entire Couche-Tard community, our hearts and prayers go out to all those who continue to suffer from the devastation of Hurricane Harvey. Our Texas team is working tirelessly to help our impacted employees and to get our stores and fuel supply back to full capacity" announced Brian Hannasch, President and CEO of Alimentation Couche Tard.

"While the overall retail industry continues to face challenging conditions, we were able to continue our growth trajectory in significant key areas, including growth by acquisitions. Our merchandises and service revenues were up 9.8%, total fuel volumes were up 15.8%, and adjusted diluted earnings per share increased by 17.5%. As we continue to work on implementing initiatives to increase customer traffic into our stores without materially impacting margins, our successful acquisition strategy continued to make compelling contributions to our bottom line and desire to be the world's preferred destination for convenience and fuel," stated Brian Hannasch.

"I am very excited that, for the first time, CST, our largest acquisition to date, is officially part of our company's financial reporting. By adding 1,263 sites from CST, and CrossAmerica Partners's wholesale fuel network to ours, we have critically strengthened our position in both the retail and wholesale fuel markets" added Brian Hannasch. "The integration of CST is going extremely well, and I am grateful to all the hardworking and talented employees bringing our teams together and welcoming them to the Couche-Tard and Circle K family."

"As we continue to expand through acquisitions, we are also pushing enthusiastically to bring our Circle K brand to life. The rollout in Poland and the Baltic countries is going very well with great customer acceptance, and the brand is now being introduced in Canada. In North America and Europe we now have more than 3,000 stores displaying the Circle K brand. Frankly, the support and energy around the globe for the Circle K brand has exceeded our expectations," concluded Brian Hannasch.

Claude Tessier, Chief Financial Officer stated, "Our knowledge from past acquisitions such as The Pantry and Statoil Fuel and Retail is making a tremendous difference in capturing potential cost synergies and integrating resources with CST as demonstrated by our current annual costs reduction run rate of $47.0 million." He added, "We will use this deep experience and our usual financial discipline as we move to close on the Holiday Stationstores in fiscal 2018. One of our highest priorities is to reduce our debt and further strengthen our balance sheet. In this regard, we are very satisfied with the positive term out on our new senior notes. We are also working to put together a divestment plan for non-core and surplus assets, including more than 200 stores that do not meet our profitability standards."

## Significant Items of the First Quarter of Fiscal 2018

- The rollout of our new Circle K global convenience brand in the United States, in Poland and in the Baltic countries is progressing steadily and has recently been launched in Canada. Close to 1,800 stores in North America and close to 1,300 stores in Europe are now proudly displaying our new global brand. In connection with this rebranding, a depreciation and amortization expense of $3.7 million was recorded to earnings for the first quarter of fiscal 2018.
- During the first quarter, we disposed of our 50% share in a fuel terminal in Ireland for a total cash consideration of $18.1 million and recognized to earnings a gain of $11.5 million on the disposal.

## Acquisition of CST Brands, Inc.

- On June 28, 2017, we completed the acquisition of all the issued and outstanding shares of CST Brands, Inc. ("CST") through an all-cash transaction valued at US$48.53 per share, with a total enterprise value of approximately $4.4 billion including net debt assumed. CST is based in San Antonio, Texas and, before the closing of the acquisition, it employed more than 14,000 people at over 2,000 locations throughout the Southwestern U.S., with an important presence in Texas, the Southeastern U.S., the State of New York and Eastern Canada.
- On the same day, we sold to Parkland Fuel Corporation a significant portion of CST's Canadian assets for approximately CA $986.0 million ($753.0 million). The disposed assets were mainly comprised of CST's independent dealers and commission agents' network, its heating-oil business, 159 company-operated sites, as well as its Montreal head office. As a result, we retained 157 of CST's company-operated sites in Canada.
- As per the requirements of the US Federal Trade Commission, we entered in an agreement to sell 70 company-operated sites to Empire Petroleum Partners, LLC ("Empire"). This transaction is subject to the customary regulatory approvals and closing conditions and is expected to close during the second quarter of fiscal 2018.

- Once the transaction with Empire is completed, the CST acquisition will have allowed us to add 1,263 sites to our North American network, for a value of approximately $3.7 billion.

- Pursuant to the acquisition of CST, we have also acquired the general partner of CrossAmerica Partners LP ("CAPL"), own 100% of its Incentive Distribution Rights and hold a 20.5% equity investment in it. CAPL supplies road transportation fuel under various brands to more than 1,200 locations in the United States. The combination of CAPL with our existing wholesale network of more than 700 stores makes us a leading wholesaler of road transportation fuel in the US.

- On June 28, 2017, we repaid all of CST's outstanding borrowings under its revolving credit facilities and, on July 28, 2017, subsequent to the end of the quarter, we repaid all of CST's outstanding senior notes for an amount of $583.7 million from amounts drawn from our acquisition facility.

- In order to finance the CST acquisition, as well as the repayments of CST's outstanding debt, we entered into a new credit agreement consisting of an unsecured non-revolving acquisition credit facility of an aggregate maximum amount of $4.3 billion, which is available exclusively to finance the acquisition of CST and the repayment of any of CST's and its subsidiaries' outstanding debt. As of July 23, 2017, a total amount of $3.0 billion has been drawn from this credit facility and the effective interest rate was 2.75%.

- At the acquisition date, we owned an investment in CST which, through the closing of the acquisition, we disposed of. As a consequence, we recognized an $8.8 million pre-tax gain to our earnings of the first quarter of fiscal 2018.

- Our first quarter of fiscal 2018 earnings include pre-tax restructuring and integration costs amounting to $43.2 million (including $6.5 million for CAPL, of which $5.2 million is attributable to non-controlling interest). Those costs mostly consist of severance to employees of CST.

- Our initial assessment of the expected annual costs reductions[1] opportunities associated with this transaction ranges from $150.0 to $200.0 million over the next 3 years. We are actively working on our integration plan and refining this initial assessment to take into account CST's latest results and the announced divestments. Once our plans are finalized, we will communicate our final costs reduction target for the retained business. As of July 23, 2017, our current annual costs reduction run rate reached approximately $47.0 million.

- From June 28, 2017, CST's results, balance sheet and cash flows are included in our consolidated financial statements. Results, balance sheet and cash flows for CAPL are also fully consolidated in our financial statements from this date. The earnings attributable to CAPL's other units holders are presented as earnings attributable to non-controlling interest.

## Changes in our Network

- On May 30, 2017, we acquired 53 company-operated sites located in Louisiana, United States from American General Investments, LLC and North American Financial Group, LLC. These convenience stores operate under the *Cracker Barrel* brand and include 11 quick service restaurants. On the same date, we closed seven of those stores.

- On July 7, 2017, we acquired from Empire Petroleum Partners, LLC, 53 fuel supply contracts with independent operators in the Atlanta, GA metro area.

- During the first quarter of fiscal 2018, we completed the construction, relocation or reconstruction of 23 stores. As of July 23, 2017, 49 stores were under construction and should open in the upcoming quarters.

[1] As our previously stated goal is considered a forward looking statement, we are required, pursuant to securities laws, to clarify that our costs 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 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 costs 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 integrate CST's system with ours. An important change in these facts and assumptions could significantly impact our synergies and costs reductions estimate as well as the timing of the implementation of our different initiatives.

*Summary of changes in our store network during the first quarter of fiscal 2018*

The following table presents certain information regarding changes in our store network over the 12-week period ended July 23, 2017. These figures exclude CAPL's store network.

| | 12-week period ended July 23, 2017 | | | | |
|---|---|---|---|---|---|
| **Type of site** | **Company-operated** | **CODO** | **DODO** | **Franchised and other affiliated** | **Total** |
| Number of sites, beginning of period | 8,011 | 756 | 1,010 | 1,092 | 10,869 |
| Acquisitions[(1)] | 1,309 | 6 | 47 | - | 1,362 |
| Openings / constructions / additions | 23 | 1 | 15 | 34 | 73 |
| Closures / disposals / withdrawals | (32) | (1) | (24) | (22) | (79) |
| Store conversion | 18 | (20) | 2 | - | - |
| Number of sites, end of period | 9,329 | 742 | 1,050 | 1,104 | 12,225 |
| Number of automated fuel stations included in the period-end figures | 964 | - | 17 | - | 981 |

(1) Exclude CST stores sold to Parkland Fuel Corporation, stores to be divested to Empire and classified as assets held for sale as well as the Cracker Barrel stores closed at the acquisition date.

*Outstanding transactions*

- On July 10, 2017, we entered into an agreement with Holiday Companies to acquire all issued and outstanding shares of Holiday Stationstores, Inc. and certain affiliated companies ("Holiday"). Holiday is an important convenience store and fuel player in the U.S. Midwest region, with 522 sites, of which 374 are operated by Holiday and 148 are operated by franchisees. Holiday also has a strong car wash business with 221 locations, a food commissary operation and a fuel terminal in Newport, Minnesota. Its stores are located in Minnesota, Wisconsin, Washington, Idaho, Montana, Wyoming, North Dakota, South Dakota, Michigan and Alaska. On July 31, 2017, this transaction was approved by Holiday's parent company's shareholders. The transaction is subject to the customary regulatory approvals and closing conditions and is expected to close during the third quarter of fiscal 2018. We expect to finance this transaction using our available cash and existing credit facilities.

- On August 7, 2017, we reached an agreement to acquire certain assets from Jet Pep, Inc., including a fuel terminal, associated trucking equipment and 18 retail sites located in Alabama. In addition, through a distinct transaction, CrossAmerica Partners LP has also agreed to purchase other assets of Jet Pep, Inc. consisting of 101 commission operated retail sites, including 92 owned sites, 5 leased sites and 4 independent commission accounts. These transactions are subject to the customary regulatory approvals and closing conditions and are expected to close during the third quarter of fiscal 2018. These transactions are expected to be financed using available cash and existing credit facilities.

# Subsequent Events

- On July 26, 2017, we issued Canadian-dollar-denominated senior unsecured notes totaling CA $700.0 million (approximately $558.0 million) as well as US-dollar-denominated senior unsecured notes totaling $2.5 billion, divided as follow.

| | **Notional amount** | **Maturity** | **Coupon rate** |
|---|---|---|---|
| Tranche 1 | $1,000.0 million | July 26, 2022 | 2.700% |
| Tranche 2 | CA$700.0 million | July 26, 2024 | 3.056% |
| Tranche 3 | $1,000.0 million | July 26, 2027 | 3.550% |
| Tranche 4 | $500.0 million | July 26, 2047 | 4.500% |

  The net proceeds from those issuances, which were approximately $3.0 billion, were mainly used to repay a portion of our acquisition facility and of our term revolving unsecured operating credit facility.

- As a result of the review of our fuel supply strategy, starting August 1, 2017, we now supply our Scandinavian stores network through multiple suppliers, primarily through 12 to 18 months contracts. We believe we will benefit from these changes through improved supply conditions and increased flexibility.

- Subsequent to the end of the quarter, our store network was impacted by hurricane Harvey in Texas. 123 of our stores were affected at various levels and had to close for a certain period of time. As of September 5, 2017, 24 stores were still closed. We are working assiduously to support our employees and reopen our stores. We will continue our diligent work towards reopening our stores and will work with our insurance companies in order to minimize the financial impact of the storm as much as possible.

## 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.

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

| | **12-week period ended July 23, 2017** | 12-week period ended July 17, 2017 |
|---|---|---|
| **Average for period** | | |
| Canadian Dollar | **0.7524** | 0.7754 |
| Norwegian krone | **0.1187** | 0.1205 |
| Swedish krone | **0.1156** | 0.1203 |
| Danish krone | **0.1508** | 0.1510 |
| Zloty | **0.2663** | 0.2550 |
| Euro | **1.1216** | 1.1235 |
| Ruble | **0.0172** | 0.0153 |

# Summary analysis of consolidated results for the first quarter of fiscal 2018

The following table highlights certain information regarding our operations for the 12-week periods ended July 23, 2017 and July 17, 2016. CAPL refers to CrossAmerica Partners LP.

It should be noted that during the third quarter of fiscal 2017, we adjusted and finalized the purchase price allocation from the acquisition of Topaz. Results for the first quarter of fiscal 2017 were adjusted to reflect the related impacts on financial results previously reported.

| *(in millions of US dollars, unless otherwise stated)* | **12-week period ended July 23, 2017** | 12-week period ended July 17,2016 | Variation |
|---|---|---|---|
| **Statement of Operations Data:** | | | |
| Merchandise and service revenues [(1)]: | | | |
| United States | **1,981.1** | 1,812.9 | 9.3 |
| Europe | **320.6** | 263.6 | 21.6 |
| Canada | **477.1** | 456.3 | 4.6 |
| CAPL | **1.0** | - | 100.0 |
| Total merchandise and service revenues | **2,779.8** | 2,532.8 | 9.8 |
| Road transportation fuel revenues: | | | |
| United States | **4,242.0** | 3,807.9 | 11.4 |
| Europe | **1,597.7** | 1,351.4 | 18.2 |
| Canada | **967.4** | 501.9 | 92.7 |
| CAPL | **15.6** | - | 100.0 |
| *Elimination of intercompany transactions with CAPL* | ***(2.7 )*** | - | *(100.0 )* |
| Total road transportation fuel revenues | **6,820.0** | 5,661.2 | 20.5 |
| Other revenues [(2)]: | | | |
| United States | **3.1** | 3.0 | 3.3 |
| Europe | **237.5** | 223.5 | 6.3 |
| Canada | **6.6** | 0.1 | 6,500.0 |
| CAPL | **0.5** | - | 100.0 |
| *Elimination of intercompany transactions with CAPL* | ***(0.3 )*** | - | *(100.0 )* |
| Total other revenues | **247.4** | 226.6 | 9.2 |
| **Total revenues** | **9,847.2** | 8,420.6 | 16.9 |
| Merchandise and service gross profit [(1)]: | | | |
| United States | **659.4** | 602.0 | 9.5 |
| Europe | **134.9** | 109.9 | 22.7 |
| Canada | **167.0** | 151.4 | 10.3 |
| CAPL | **0.3** | - | 100.0 |
| Total merchandise and service gross profit | **961.6** | 863.3 | 11.4 |
| Road transportation fuel gross profit: | | | |
| United States | **402.5** | 362.5 | 11.0 |
| Europe | **239.1** | 210.2 | 13.7 |
| Canada | **82.6** | 39.2 | 110.7 |
| CAPL | **0.7** | - | 100.0 |
| *Elimination of intercompany transactions with CAPL* | **-** | - | - |
| Total road transportation fuel gross profit | **724.9** | 611.9 | 18.5 |
| Other revenues gross profit [(2)]: | | | |
| United States | **3.1** | 3.0 | 3.3 |
| Europe | **42.2** | 41.1 | 2.7 |
| Canada | **6.8** | 0.1 | 6,700.0 |
| CAPL | **0.5** | - | 100.0 |
| *Elimination of intercompany transactions with CAPL* | ***(0.3 )*** | - | *(100.0 )* |
| Total other revenues gross profit | **52.3** | 44.2 | 18.3 |
| **Total gross profit** | **1,738.8** | 1,519.4 | 14.4 |
| Operating, selling, administrative and general expenses | | | |
| Excluding CAPL | **1,031.5** | 915.8 | 12.6 |
| CAPL | **0.8** | - | 100.0 |
| *Elimination of intercompany transactions with CAPL* | ***(1.0 )*** | - | *(100.0 )* |
| Total Operating, selling, administrative and general expenses | **1,031.3** | 915.8 | 12.6 |
| Gain on disposal of property and equipment and other assets | **(16.8 )** | (1.6 ) | 952.3 |
| Integration and restructuring costs (including $6.5 million for CAPL) | **43.2** | - | 100.0 |
| Depreciation, amortization and impairment of property and equipment, intangible assets and other assets | | | |
| Excluding CAPL | **169.8** | 146.4 | 100.0 |
| CAPL | **0.5** | - | 100.0 |
| Total depreciation, amortization and impairment of property and equipment, intangible assets and other assets | **170.3** | 146.4 | 16.3 |
| **Operating income** | | | |
| Excluding CAPL | **516.4** | 458.8 | 12.6 |
| CAPL | **(6.3 )** | - | (100.0 ) |
| *Elimination of intercompany transactions with CAPL* | ***0.7*** | - | *100.0* |
| Total operating income | **510.8** | 458.8 | 11.3 |
| Net earnings including non-controlling interest | **359.5** | 322.8 | 11.4 |
| Net loss attributable to non-controlling interest | **5.2** | 0.0 | 100.0 |
| **Net earnings attributable to shareholders of the Corporation** | **364.7** | 322.8 | 13.0 |
| **Per Share Data:** | | | |
| Basic net earnings per share (dollars per share) | **0.64** | 0.56 | 14.3 |
| Diluted net earnings per share (dollars per share) | **0.64** | 0.56 | 14.3 |
| Adjusted diluted net earnings per share (dollars per share) | **0.67** | 0.57 | 17.5 |

| | 12-week period ended July 23, 2017 | 12-week period ended July 17, 2016 | Variation % |
|---|---|---|---|
| **Other Operating Data – excluding CAPL:** | | | |
| Merchandise and service gross margin [1]: | | | |
| Consolidated | **34.6%** | 34.1% | 0.5 |
| United States | **33.3%** | 33.2% | 0.1 |
| Europe | **42.1%** | 41.7% | 0.4 |
| Canada | **35.0%** | 33.2% | 1.8 |
| Growth of (decrease in) same-store merchandise revenues [3]: | | | |
| United States[4] | **1.4%** | 2.4% | |
| Europe | **1.4%** | 4.9% | |
| Canada[4] | **(0.2%)** | 0.9% | |
| Road transportation fuel gross margin: | | | |
| United States (cents per gallon) [4] | **20.75** | 20.86 | (0.5) |
| Europe (cents per litre) | **8.97** | 8.70 | 3.2 |
| Canada (CA cents per litre) [4] | **8.22** | 6.78 | 21.2 |
| Total volume of road transportation fuel sold: | | | |
| United States (millions of gallons) | **1,934.3** | 1,751.9 | 10.4 |
| Europe (millions of litres) | **2,664.2** | 2,415.5 | 10.3 |
| Canada (millions of litres) | **1,329.1** | 752.9 | 76.5 |
| Growth of (decrease in) same-store road transportation fuel volume: | | | |
| United States[4] | **0.4%** | 2.5% | |
| Europe | **(0.3%)** | 0.9% | |
| Canada[4] | **(0.2%)** | 0.6% | |

| *(in millions of US dollars, unless otherwise stated)* | **July 23, 2017** | April 30, 2017 | Variation $ |
|---|---|---|---|
| **Balance Sheet Data:** | | | |
| Total assets (including $1.1 billion for CAPL) | **20,114.1** | 14,185.6 | 5,928.5 |
| Interest-bearing debt (including $472.8 million for CAPL) | **7,936.1** | 3,354.9 | 4,581.2 |
| Shareholders' equity | **6,512.6** | 6,009.6 | 503.0 |
| **Indebtedness Ratios [5]:** | | | |
| Net interest-bearing debt/total capitalization [6] | **0.50 : 1** | 0.31 : 1 | |
| Net interest-bearing debt/Adjusted EBITDA [7] [11] | **2.31 : 1** | 1.09 : 1 | |
| Adjusted net interest-bearing debt/Adjusted EBITDAR [8] [11] | **3.07 : 1** | 2.02 : 1 | |
| **Returns [5]:** | | | |
| Return on equity [9] [11] | **21.1%** | 22.5% | |
| Return on capital employed [10] [11] | **11.8%** | 15.8% | |

(1) Includes revenues derived from franchise fees, royalties, suppliers rebates on some purchases made by franchisees and licensees as well as from wholesale merchandise.
(2) Includes revenues from the rental of assets, from the sale of aviation and marine fuel, heating oil, kerosene, and chemicals.
(3) Does not include services and other revenues (as described in footnotes 1 and 2 above). Growth in Canada and in Europe is calculated based on local currencies.
(4) For company-operated stores only.
(5) These measures are presented as if our investment in CAPL was reported using the equity method as we believe it allows a more relevant presentation of the performance of the Corporation.
(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. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation.
(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 specific items. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation.
(8) This measure 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 specific items. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation.
(9) This measure 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 measure 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.
(11) As of July 23, 2017, this ratio is presented for the 53-week period ended July 23, 2017 on a pro forma basis for the acquisition of CST and for the store network acquired from Imperial Oil. As of April 30, 2017, this measure is presented for the 53-week period ended April 30, 2017 on a pro forma basis for the store network acquired from Imperial Oil. Given the timing of the acquisition of CST, we have not yet completed the fair value assessment of the assets acquired, the liabilities assumed and the goodwill for this transaction. CST's earnings and balance sheet figures have been adjusted to make their presentation in line with Couche-Tard's policies.

## Revenues

Our revenues were $9.8 billion for the first quarter of fiscal 2018, up by $1.4 billion, an increase of 16.9% compared with the corresponding quarter of fiscal 2017, mainly attributable to the contribution from acquisitions, to a higher average road transportation fuel selling price, as well as to organic growth. These items, which contributed to the increase in revenues, were partly offset by the negative net impact from the translation of revenues of our Canadian and European operations into US dollars.

Total merchandise and service revenues for the first quarter of fiscal 2018 were $2.8 billion, an increase of $247.0 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's revenues as well as the negative net impact from the translation of our European and Canadian operations into US dollars, merchandise and service revenues increased by approximately $263.0 million or 10.4%. This increase is attributable to the contribution from acquisitions, which amounted to approximately $208.0 million as well as to organic growth. Same-store merchandise revenues increased by 1.4% in the United States, despite the general softness in the retail industry and unfavorable weather conditions in certain parts of the country. In Europe, same-store merchandise revenues increased by 1.4%, driven by the success of our rebranding activities and the rollout and improvements of our food programs. In Canada, same-store merchandise revenues decreased by 0.2%, still impacted by the challenging economic conditions and competitive landscape in the western part of the country as well as by sub-optimal weather conditions in the Eastern part of the country in May and June.

Total road transportation fuel revenues for the first quarter of fiscal 2018 were $6.8 billion, an increase of $1.2 billion compared with the corresponding quarter of fiscal 2017. Excluding CAPL's revenues as well as the negative net impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues increased by approximately $1,159.0 million or 20.5%. This increase was attributable to the contribution from acquisitions, which amounted to approximately $862.0 million as well as to the impact of a higher average road transportation fuel selling price, which had a positive impact of approximately $209.0 million. Same-store road transportation fuel volumes increased by 0.4% in the United States due to – among other things – the positive response from customers to our fuel rebranding initiatives and micro-market strategies. In Europe, same-store road transportation fuel volumes decreased by 0.3%, mainly as a result of the weaker market conditions toward the end of the quarter. In Canada, same-store road transportation fuel volumes decreased by 0.2%, mainly as a result of the challenging economy in Western Canada.

The following table shows the average selling price of road transportation fuel in our various markets, starting with the second quarter of the fiscal year ended April 24, 2016:

| Quarter | 2nd | 3rd | 4th | 1st | **Weighted average** |
|---|---|---|---|---|---|
| 53-week period ended July 23, 2017 | | | | | |
| United States (US dollars per gallon) – excluding CAPL | 2.10 | 2.18 | 2.25 | 2.21 | **2.19** |
| Europe (US cents per litre) | 58.01 | 61.87 | 62.46 | 61.39 | **60.98** |
| Canada (CA cents per litre) | 90.36 | 94.67 | 97.20 | 99.81 | **96.02** |
| 52-week period ended July 17, 2016 | | | | | |
| United States (US dollars per gallon) – excluding CAPL | 2.36 | 1.99 | 1.86 | 2.20 | **2.10** |
| Europe (US cents per litre) | 66.12 | 57.04 | 51.59 | 58.65 | **58.02** |
| Canada (CA cents per litre) | 97.79 | 88.41 | 82.28 | 92.66 | **90.39** |

Total other revenues for the first quarter of fiscal 2018 were $247.4 million, an increase of $20.8 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's revenues, other revenues increased by $20.6 million in the first quarter of fiscal 2018, including the contribution from acquisitions, which amounted to approximately $7.0 million.

## Gross profit

Our gross profit was $1.7 billion for the first quarter of fiscal 2018, up by $219.4 million, an increase of 14.4% compared with the corresponding quarter of fiscal 2017, mainly attributable to the contribution from acquisitions as well as to organic growth, partly offset by the negative net impact from the translation of operations of our Canadian and European operations into US dollars.

In the first quarter of fiscal 2018, our merchandise and service gross profit was $961.6 million, an increase of $98.3 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's gross profit as well as the net negative impact from the translation of our European and Canadian operations into US dollars, our first quarter of fiscal 2018 merchandise and service gross profit increased by $104.0 million or 12.0%. This increase is attributable to the contribution from acquisitions, which amounted to approximately $78.0 million and to our organic growth. Our gross margin increased by 0.1% in the United States to 33.3% because of the changes in our product mix towards higher margin categories. Our margin increased by 0.4% in Europe to 42.1%, benefiting from the roll-out of our food programs in our recently acquired stores. In Canada, our gross margin increased by 1.8% to 35.0% because of a different revenue mix in our recently acquired Imperial Oil stores network.

In the first quarter of fiscal 2018, our road transportation fuel gross profit was $724.9 million, an increase of $113.0 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's gross profit as well as the net negative impact from the translation of our European and Canadian operations into US dollars, our first quarter of fiscal 2018 road transportation fuel gross profit increased by $123.6 million or 20.6%. In the first quarter of fiscal 2018, the road transportation fuel gross margin was 20.75¢ per gallon in the United States, a decrease of 0.11¢ per gallon attributable to lower margins in the CST network. Excluding CST stores, gross margin in the US would have been 21.20¢ per gallon. In Europe, the road transportation gross margin was 8.97¢ per litre, an increase of 0.27¢ per litre, while in Canada, the road transportation fuel gross margin was CA 8.22¢ per litre, an increase of CA 1.44¢ per litre, mainly attributable to higher margins in our newly acquired Imperial Oil stores network.

The road transportation fuel gross margin of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, starting with the second quarter of the fiscal year ended April 24, 2016, were as follows:

(US cents per gallon)

| Quarter | 2nd | 3rd | 4th | 1st | **Weighted average** |
|---|---|---|---|---|---|
| 53-week period ended July 23, 2017 | | | | | |
| Before deduction of expenses related to electronic payment modes | 19.87 | 18.33 | 15.47 | 20.75 | **18.59** |
| Expenses related to electronic payment modes | 3.99 | 3.99 | 4.12 | 3.79 | **3.97** |
| After deduction of expenses related to electronic payment modes | 15.88 | 14.34 | 11.35 | 16.96 | **14.62** |
| 52-week period ended July 17, 2016 | | | | | |
| Before deduction of expenses related to electronic payment modes | 25.66 | 19.90 | 16.78 | 20.86 | **20.74** |
| Expenses related to electronic payment modes | 4.19 | 3.84 | 3.74 | 4.08 | **3.96** |
| After deduction of expenses related to electronic payment modes | 21.47 | 16.06 | 13.04 | 16.78 | **16.78** |

As demonstrated by the table above, road transportation fuel margins in the United States can be volatile from one quarter to another but tend to normalize in the longer run. Margin volatility and expenses related to electronic payment modes are not as significant in Europe and Canada.

In the first quarter of fiscal 2018, our other revenues gross profit was $52.3 million, an increase of $8.1 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's gross profit, other revenues gross profit increased by $7.9 million in the first quarter of fiscal 2018, mainly explained by the contribution from acquisitions, which amounted to approximately $7.0 million.

## Operating, selling, administrative and general expenses ("expenses")

For the first quarter of fiscal 2018, expenses increased by 12.6% compared with the corresponding periods of fiscal 2017, but increased by only 1.7% if we exclude certain items as demonstrated by the following table:

| | **12-week period ended July 23, 2017** |
|---|---|
| **Total variance as reported** | **12.6%** |
| Adjust for: | |
| Increase from incremental expenses related to acquisitions | (9.1%) |
| Increase from the five additional days for European operations | (1.7%) |
| Decrease from the net impact of foreign exchange translation | 0.8% |
| Increase from higher electronic payment fees, excluding acquisitions | (0.6%) |
| Acquisition costs recognized to earnings of fiscal 2018 | (0.4%) |
| Acquisition costs recognized to earnings of fiscal 2017 | 0.1% |
| CAPL's expenses for fiscal 2018 | - |
| **Remaining variance** | **1.7%** |

The remaining variance is due to normal inflation, to higher advertising and marketing activities in connection with our global brand project, to higher expenses needed to support our organic growth, to the higher average number of stores and to proportionally higher operational expenses in our recently built stores, as these stores generally have a larger footprint than the average of our existing network. We continue to favour a rigorous control of costs throughout our organization, while ensuring we maintain the quality of service we offer to our customers.

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

During the first quarter of fiscal 2018, EBITDA increased from $614.7 million to $689.7 million, a growth of 12.2% compared with the same quarter last year.

Excluding the specific items shown in the table below from EBITDA of the first quarter of fiscal 2018 and of the first quarter of fiscal 2017, the adjusted EBITDA for the first quarter of fiscal 2018 increased by $99.6 million or 16.2% compared with the corresponding period of the previous fiscal year, mainly through the contribution from acquisitions and organic growth. Acquisitions contributed approximately $76.0 million to the adjusted EBITDA of the first quarter of fiscal 2018, while the variation in exchange rates had a negative net impact of approximately $3.0 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, consider that those performance measures facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program. 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 23, 2017** | 12-week period ended July 17, 2016 |
|---|---|---|
| Net earnings including non-controlling interest | **359.5** | 322.8 |
| Add: | | |
| Income taxes | **100.7** | 120.7 |
| Net financial expenses | **59.2** | 24.8 |
| Depreciation, amortization and impairment of property and equipment, intangible assets and other assets | **170.3** | 146.4 |
| EBITDA including non-controlling interest | **689.7** | 614.7 |
| Adjusted for: | | |
| Restructuring and integration costs attributable to shareholders of the Corporation (including $1.2 million for our interest in CAPL) | **38.0** | - |
| Gain on disposal of a terminal | **(11.5)** | - |
| Gain on investment in CST | **(8.8)** | - |
| Negative EBITDA attributable to non-controlling interest | **4.6** | - |
| Acquisition costs | **3.3** | 1.0 |
| Adjusted EBITDA | **715.3** | 615.7 |

## Depreciation, amortization and impairment of property and equipment, intangible assets and other assets ("depreciation")

The depreciation expense for the first quarter of fiscal 2018 was $170.3 million, an increase of $23.9 million compared with the first quarter of fiscal 2017. Excluding CAPL, the depreciation expense increased by $23.4 million, mainly driven by the impact from investments made through acquisitions, the replacement of equipment, the addition of new stores and the ongoing improvement of our network. The depreciation expense for the first quarter of fiscal 2018 includes a charge of $3.7 million for the accelerated depreciation and amortization of certain assets in connection with our global rebranding project.

## Net financial expenses

Net financial expenses for the first quarter of fiscal 2018 were $59.2 million, an increase of $34.4 million compared with the first quarter of fiscal 2017. Excluding the net foreign exchange loss of $20.3 million and a net foreign exchange gain of $3.2 million recorded in the first quarters of fiscal 2018 and of fiscal 2017, respectively, as well as CAPL's financial expenses, net financial expenses increased by $10.9 million. This increase is mainly attributable to our higher average long-term debt in connection with our recent acquisitions, partly offset by the repayments made. The net foreign exchange loss of $20.3 million for the first quarter of fiscal 2018 is mainly due to the impact of foreign exchange variations on certain cash balances and working capital items.

## Income taxes

The income tax rate for the first quarter of fiscal 2018 was 21.9% compared with an income tax rate of 27.2% for the first quarter of fiscal 2017. The income tax rate for the quarter was positively impacted by a tax recovery of $13.4 million stemming from an internal reorganization. Excluding this tax recovery, our income tax rate would have been 24.8% for the first quarter of fiscal 2018. The decrease in the adjusted income tax rate stems from a different geographical mix in our earnings.

## Net earnings and adjusted net earnings attributable to shareholders of the Corporation ("net earnings")

We closed the first quarter of fiscal 2018 with net earnings of $364.7 million, compared with $322.8 million for the first quarter of the previous fiscal year, an increase of $41.9 million or 13.0%. Diluted net earnings per share stood at $0.64, compared with $0.56 the previous year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a negative net impact of approximately $2.0 million on net earnings of the first quarter of fiscal 2018.

Excluding the items shown in the table below from net earnings of the first quarter of fiscal 2018 and fiscal 2017, this quarter's net earnings would have been approximately $381.0 million, compared with $327.0 million for the comparable quarter of the previous year, an increase of $54.0 million or 16.5%. Adjusted diluted net earnings per share would have been approximately $0.67 for the first quarter of fiscal 2018, compared with $0.57 for the corresponding period of fiscal 2017, an increase of 17.5%.

The table below reconciles reported net earnings to adjusted net earnings:

| (in millions of US dollars) | **12-week period ended July 23, 2017** | 12-week period ended July 17, 2016 |
|---|---|---|
| Net earnings attributable to shareholders, as reported | **364.7** | 322.8 |
| Adjust for: | | |
| Restructuring and integration costs – attributable to shareholders of the Corporation | **38.0** | - |
| Net foreign exchange loss (gain) | **20.3** | (3.2) |
| Tax recovery stemming from an internal reorganization | **(13.4)** | - |
| Gain on disposal of a terminal | **(11.5)** | - |
| Gain on investment in CST | **(8.8)** | - |
| Accelerated depreciation and amortization expense | **3.7** | 6.9 |
| Acquisition costs | **3.3** | 1.0 |
| Tax impact of the items above and rounding | **(15.3)** | (0.5) |
| Adjusted net earnings | **381.0** | 327.0 |

It should be noted that adjusted net earnings is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider this measure useful for evaluating the underlying performance of our operations on a comparable basis. Note that our definition of this measure may differ from the one used by other public corporations.

# Dividends

During its September 6, 2017 meeting, the Corporation's Board of Directors declared a quarterly dividend of CA 9.0¢ per share for the first quarter of fiscal 2018 to shareholders on record as at September 15, 2017, and approved its payment for September 29, 2017. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

# Profile

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden and Denmark), in the Baltic countries (Estonia, Latvia and Lithuania), and in Ireland and also has an important presence in Poland.

As of July 23, 2017, Couche-Tard's network comprised 9,471 convenience stores throughout North America, including 8,129 stores with road transportation fuel dispensing. Its North American network consists of 18 business units, including 14 in the United States covering 42 states and 4 in Canada covering all 10 provinces. Approximately 95,000 people are employed throughout its network and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche-Tard supplies road transportation fuel under various brands to more than 1,200 locations in the United States.

In Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through ten business units. As of July 23, 2017, Couche-Tard's network comprised 2,754 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. Couche-Tard also offers other products, including stationary energy, marine fuel, aviation fuel and chemicals. Including employees at its branded franchise stores, approximately 25,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, more than 1,700 stores are operated under the Circle K banner in 13 other countries and territories (China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Malaysia, Mexico, the Philippines, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 15,000 stores.

*For more information on Alimentation Couche-Tard Inc. or to consult our quarterly Consolidated Financial Statements and Management Discussion and Analysis, please visit: http://corpo.couche-tard.com.*

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The statements set forth in this press release, which describes Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "can", "shall", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated in or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche-Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in the reports filed by Couche-Tard with securities authorities in Canada and the United States. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this release is based on information available as of the date of the release.

## Webcast on September 6, 2017, at 2:30 P.M. (EDT)

Couche-Tard invites analysts known to the Corporation to send their two questions to its management before 11:00 AM (EDT) on September 6, 2017.

Financial analysts, investors, medias and any individuals interested in listening to the webcast on Couche-Tard's results which will take place online on September 6, 2017, at 2:30 P.M. (EDT) can do so by either accessing the Corporation's website at http://corpo.couche-tard.com by clicking in the "Investor Relations/Corporate presentations" section or by dialing 1-866-865-3087 or the international number 1-647-427-7450, followed by the access code 75240650#.

**Rebroadcast**: For individuals who will not be able to listen to the live webcast, a recording of the webcast will be available on the Corporation's website for a period of 90 days.