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## ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS FOURTH QUARTER AND FISCAL YEAR 2014

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### Fiscal year 2014

- For fiscal 2014, diluted net earnings per share adjusted for non-recurring items of US\$1.35 compared with US\$1.11 for fiscal 2013, up 21.6%.
- Three-for-one split of all of the Corporation's issued and outstanding Class "A" and "B" shares effective April 14, 2014. Consequently, all per share amounts in the present document are presented on a comparable basis.
- Results of fiscal year 2014 and 2013 include those of Statoil Fuel & Retail for a period of 365 and 315 days, respectively.

### Quarter

- Net earnings of \$145.1 million for the fourth quarter of fiscal 2014. Excluding non-recurring items for both comparable periods, the diluted net earnings per share would have been approximately \$0.22 for the fourth quarter of fiscal 2014 compared with \$0.20 for the fourth quarter of fiscal 2013, an increase of 10%.
- Same-store merchandise revenues up 4.4% in the U.S., 2.5% in Europe and 1.6% in Canada.
- Merchandise and service gross margin stood at 33.1% in the U.S., at 42.9% in Europe and at 32.5% in Canada, a consolidated margin increase of 0.1 at 34.4%.
- Same-store road transportation fuel volume up 2.8% in the U.S., 3.2% in Europe and 1.7% in Canada, solid considering the market trends.
- Road transportation fuel gross margin at US14.85¢ per gallon in the U.S., at US10.54¢ per litre in Europe and at CA5.86¢ per litre in Canada.
- Quarterly dividend increase of 20.0% to CA4.0¢ considering our strong balance sheet and of our dividends distribution practices.

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**Laval, Québec, Canada, July 7, 2014** – For its fiscal 2014, Alimentation Couche-Tard Inc. (TSX: ATD.A ATD.B) announces net earnings of \$812.2 million, up 41.8% over fiscal year 2013 and representing \$1.43 per share on a diluted basis. Adjusted for non-recurring items, net earnings for fiscal year 2014 would have been approximately \$766.0 million, an increase of \$145.0 million, or 23.3% while adjusted diluted net earnings per share were approximately \$1.35, an increase of 21.6%.

For its fourth quarter of fiscal 2014, Couche-Tard announces net earnings of \$145.1 million, down \$1.3 million or 0.9%, representing \$0.25 per share on a diluted basis. The results for the fourth quarter of fiscal 2014 include a net foreign exchange loss of \$8.7 million as well as a non-recurring income tax recovery of \$28.2 million resulting from a foreign exchange loss and from the decrease of the income tax rates in Norway and Denmark. On the other hand, the results from the fourth quarter of fiscal 2013 included restructuring costs of \$34.0 million, a \$19.4 million curtailment gain related to certain pension plans, a net foreign exchange gain of \$6.8 million as well as an income tax recovery of \$34.7 million related to the decrease in the income tax rate in Sweden. Excluding these items as well as the negative goodwill from both comparable quarter results and acquisition costs from results of the fourth quarter of fiscal 2013, the diluted net earnings per share would have been \$0.22 for the fourth quarter of fiscal 2014 compared with \$0.20 for the fourth quarter of fiscal 2013, an increase of 10%. This increase is mainly attributable to organic growth in both merchandise and services revenues and road transportation fuel volumes, to the contribution from acquisitions as well as to the decrease in financial expenses following repayments, by the Corporation, of a significant portion of its debt. These items, which contributed to the growth in net earnings, were partly offset by a lower margin on road transportation fuel sales in the United States, by expenses incurred to support the organic growth as well as by the weakening of the Canadian dollar and the Norwegian krone against the US dollar. All financial information is in US dollars unless stated otherwise.

"We are pleased to close fiscal 2014 with net earnings showing a significant growth for a sixth consecutive year. The results for the quarter, adjusted for the non-recurring items, show another solid performance despite the lower fuel margin in the United States. The success of our strategies is clearly reflected in both North America and Europe by our same store performance" declared Alain Bouchard, President and Chief Executive Officer. "In July 2013, I said that fiscal 2014 would be a year of execution and achievement in Europe. Today, I am proud to say that we delivered. Indeed, we are very satisfied with

the efforts deployed to boost sales and to realize synergies. Many steps have been completed but our job is far from over and we are working on several exciting projects that should help us achieve the goals we have set for ourselves and deliver value for our shareholders and other stakeholders. I would like to thank all of our employees for another extraordinary year” concluded Mr. Bouchard.

Raymond Paré, Vice President and Chief Financial Officer, indicated: “I am very pleased with the results of our fiscal year and especially with the improvement of our balance sheet. With our strong cash flows, we were able to reduce our debt significantly and increase our dividend for the third time this year. This was made possible by our ability to continue to integrate successfully our European operations while continuously looking to improve our North American performance. We are excited by the prospects for continued organic growth from our current network of sites. The growth of the food, the improvement of the top line with “*miles™*” and our new loyalty program in Europe, the realization of synergies identified as well as the acceleration of building new sites are some of the pillars for the years to come. Also, we continue to believe that great opportunities exist to expand our network organically and by disciplined acquisitions”.

## Fiscal 2014 Overview

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

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

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

## Statoil Fuel & Retail

### *Period results*

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

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

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

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

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

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

### *Synergies and cost reduction initiatives*

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

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

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

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

As our goal previously stated is considered a forward looking statement, we are required pursuant to securities laws, to clarify that our synergies and cost reductions estimate is based on a number of important factors and assumptions. Among other things, our synergies and cost savings objective is based on our comparative analysis of organizational structures and current level of spending across our network as well as on our ability to bridge the gap, where relevant. Our synergies and cost reduction objective is also based on our assessment of current contracts in Europe and North America and how we expect to be able to renegotiate these contracts to take advantage of our increased purchasing power. In addition, our synergies and cost reduction objective assumes that we will be able to establish and maintain an effective process for sharing best practices across our network. Finally, our objective is also based on our ability to implement effectively and timely a new ERP system. A significant change in these facts and assumptions could significantly impact our synergies and cost reductions estimate.

## **Issuance of Canadian dollar denominated senior unsecured notes**

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

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

## Impairment

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

## Network growth

### *Completed transactions*

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

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

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

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

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

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

Available cash was used for these acquisitions.

### *Store construction*

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

### *Additional changes to our network*

During the first quarter of fiscal 2014, we, along with a third-party, formed a new corporation, Circle K Asia LLC ("Circle K Asia"), in which both parties hold a 50% interest. During the 12-week period ended July 21, 2013, each party made a capital contribution of \$13.2 million. The total contribution was used to purchase a portion of Circle K's international franchise agreements as well as a master franchise in Asia. Under the contract signed between the parties, we, under certain circumstances, may repurchase all of the other party's shares in Circle K Asia. Consequently, the new corporation was fully consolidated in our consolidated financial statements and the third party's interest was recorded under "Non-controlling interest" in the consolidated statements of earnings, changes in equity and consolidated balance sheet. Furthermore, we must, under certain circumstances, repurchase all of the third-party's shares in Circle K Asia. Consequently, a redemption liability was recorded in our consolidated balance sheet. Circle K Asia should contribute to the expansion of our licensee's network in Asia. We do not expect this transaction to have a significant impact on our financial performance.

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

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

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

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

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

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

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

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

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

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

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

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

(6) These sites sell road transportation fuel only.

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

## Dividends

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

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

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

## Outstanding shares and stock options

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

## Exchange Rate Data

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

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

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

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

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

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

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

(4) As at April 30, 2014.

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

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



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

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

(In millions of US dollars, unless otherwise stated)

### Statement of Operations Data:

Merchandise and service revenues <sup>(1)</sup>:

	12-week period ended		
	April 27, 2014	April 28, 2013	Variation %
United States	1,119.3	1,062.1	5.4%
Europe	253.3	246.5	2.8%
Canada	419.8	457.5	(8.2%)
Total merchandise and service revenues	1,792.4	1,766.1	1.5%

Road transportation fuel revenues:

United States	3,749.4	3,614.8	3.7%
Europe	2,085.3	2,063.4	1.1%
Canada	620.2	630.8	(1.7%)
Total road transportation fuel revenues	6,454.9	6,309.0	2.3%

Other revenues <sup>(2)</sup>:

United States	3.7	1.6	131.3%
Europe	700.6	699.2	0.2%
Canada	0.7	0.1	600.0%
Total other revenues	705.0	700.9	0.6%
<b>Total revenues</b>	<b>8,952.3</b>	<b>8,776.0</b>	<b>2.0%</b>

Merchandise and service gross profit <sup>(1)</sup>:

United States	371.0	346.9	6.9%
Europe	108.7	107.7	0.9%
Canada	136.3	151.3	(9.9%)
Total merchandise and service gross profit	616.0	605.9	1.7%

Road transportation fuel gross profit:

United States	159.4	188.8	(15.6%)
Europe	211.4	196.2	7.7%
Canada	33.6	35.7	(5.9%)
Total road transportation fuel gross profit	404.4	420.7	(3.9%)

Other revenues gross profit <sup>(2)</sup>:

United States	3.7	1.6	131.3%
Europe	93.3	92.0	1.4%
Canada	0.7	0.1	600.0%
Total other revenues gross profit	97.7	93.7	4.3%
<b>Total gross profit</b>	<b>1,118.1</b>	<b>1,120.3</b>	<b>(0.2%)</b>

Operating, selling, administrative and general expenses

	822.0	815.8	0.8%
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Restructuring costs

	-	34.0	(100.0%)
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Curtailment gain on defined benefits pension plans obligation

	-	(19.4)	(100.0%)
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Negative goodwill

	(0.2)	(2.8)	(92.9%)
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Depreciation, amortization and impairment of property and equipment and other assets

	142.0	138.1	2.8%
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**Operating income**

	154.3	154.6	14.0%
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**Net earnings**

	145.1	146.4	(0.9%)
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### Other Operating Data:

Merchandise and service gross margin <sup>(1)</sup>:

Consolidated	34.4%	34.3%	0.1%
United States	33.1%	32.7%	0.4%
Europe	42.9%	43.7%	(0.8%)
Canada	32.5%	33.1%	(0.6%)

Growth of same-store merchandise revenues <sup>(3)(4)</sup>:

United States	4.4%	0.1%	
Europe	2.5%		
Canada	1.6%	0.9%	

Road transportation fuel gross margin :

United States (cents per gallon) <sup>(4)</sup>	14.85	19.30	(23.1%)
Europe (cents per litre) <sup>(5)</sup>	10.54	9.83	7.2%
Canada (CA cents per litre) <sup>(4)</sup>	5.86	6.01	(2.5%)

Volume of road transportation fuel sold <sup>(5)</sup>:

United States (millions of gallons)	1,092.2	1,010.4	8.1%
Europe (millions of litres)	2,005.8	1,995.7	0.5%
Canada (millions of litres)	638.2	619.5	3.0%

Growth of (decrease in) same-store road transportation fuel volume <sup>(4)</sup>:

United States	2.8%	1.1%	
Europe	3.2%	-	
Canada	1.7%	(1.4%)	

### Per Share Data:

Basic net earnings per share (dollars per share)	0.26	0.26	0.0%
Diluted net earnings per share (dollars per share)	0.25	0.26	(3.8%)

(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.

## Revenues

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

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

Road transportation fuel revenues increased by \$145.9 million or 2.3% in the fourth quarter of fiscal 2014. Excluding the negative net impact from the translation of revenues from our Canadian and European operations into US dollars, which amounted to approximately \$59.0 million, road transportation fuel revenues increased by \$204.9 million or 3.2%. This increase was mainly attributable to the contribution from acquisitions of approximately \$156.0 million and to organic growth. In the United States and in Canada, same-store road transportation fuel volume increased by 2.8% and 1.7%, respectively. This was also the sixth consecutive quarter during which same-store road transportation fuel volume showed positive development in Europe where same-store road transportation fuel volume increased by 3.2% which represents a strong improvement over the trend our that European network was posting before we acquired Statoil Fuel & Retail. Our new fuel brand "*miles*<sup>TM</sup>" which we launched in some of our European markets is delivering encouraging results and was again a nice contributor to this quarter performance. Organic growth and the contribution from acquisitions were partly offset by lower average road transportation fuel retail price in the United States.

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

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

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

## Gross profit

In the fourth quarter of fiscal 2014, the consolidated merchandise and service gross margin was \$616.0 million, an increase of \$10.1 million or 1.7% compared with the corresponding quarter of fiscal 2013. Excluding the negative impact from the translation of our European and Canadian operations into US dollars, which was approximately \$11.0 million, consolidated merchandise and service gross margin increased by \$21.1 million or 3.5%. This increase is attributable, in part, to the contribution from acquisitions which amounted to approximately \$3.0 million. In the United States, the gross margin was up 0.4% from 32.7% to 33.1% while it decreased by 0.6% in Canada, to 32.5% and by 0.8% in Europe to 42.9%. Overall, this performance reflects changes in the product-mix, the modifications we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market. More specifically, in



the United States, the increase in gross margin as a percentage of sales mainly reflects the impact of the shift of revenues toward higher margin categories, including a strong growth in fresh food. In Canada, in addition to the impact of our pricing strategies aimed at increasing store traffic, the decrease in margin as a percentage of sales was caused by changes in our product mix. In Europe, the margin as a percentage of sales was negatively impacted by lower carwash sales due to challenging weather in Scandinavia compared to the previous year, to changes in our product mix as well as to the impact of our pricing strategies to improve the value perception by our customers.

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

(US cents per gallon)

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

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

## Operating, selling, administrative and general expenses

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

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

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

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

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

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

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

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

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

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

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

## Net financial expenses

The fourth quarter of fiscal 2014 shows net financial expenses of \$26.9 million, an increase of \$6.2 million compared to the fourth quarter of fiscal 2013. Excluding the net foreign exchange loss of \$8.7 million and the net foreign exchange gain of \$6.8 million recorded respectively in the fourth quarter of fiscal 2014 and in the fourth quarter of fiscal 2013, the decrease in net financial expenses is \$9.3 million. The decrease is mainly attributable to the reduction of our long-term debt following repayments we made on our revolving and acquisition facilities partly offset by the higher average effective interest rate of our senior unsecured notes compared with the average effective rate of our acquisition facility. With respect to the net foreign exchange loss of \$8.7 million, it is mainly due to the impact of the exchange rate fluctuations on certain inter-company balances and external long term debt as well as to the impact of exchange rates fluctuations on US dollars denominated sales made by our European operations.

## Income taxes

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

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

## Net earnings

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

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

## Summary analysis of consolidated results for fiscal 2014

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

(In millions of US dollars, unless otherwise stated)

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

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

- (1) Includes revenues derived from franchise fees, royalties, suppliers rebates on some purchases made by franchisees and licensees as well as merchandise wholesale.
- (2) Includes revenues from rental of assets, from sale of aviation and marine fuel, heating oil, kerosene, lubricants, chemicals and Liquefied Petroleum Gas ("LPG")'s operations. LPG operations were sold in December 2012.
- (3) Does not include services and other revenues (as described in footnote 1 above). Growth in Canada is calculated based on Canadian dollars. Growth in Europe is calculated based on Norwegian Kroner.
- (4) For company-operated stores only.
- (5) Total road transportation fuel.
- (6) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by the addition of shareholders' equity and long-term debt, net of cash and cash equivalents and temporary investments. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
- (7) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by EBITDA (Earnings Before Interest, Tax, Depreciation, Amortization and Impairment) adjusted for restructuring expenses, curtailment gain on certain defined benefits pension plans obligation and negative goodwill. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
- (8) This ratio is presented on a pro forma basis. It includes Couche-Tard's results for fiscal year ended April 28, 2013 as well as Statoil Fuel & Retail's results for the 12-month period ended April 30, 2013. Statoil Fuel & Retail balance sheet and earnings have been adjusted to make their presentation in line with Couche-Tard's policies and for fair value adjustments to assets acquired, including goodwill, and to liabilities assumed.
- (9) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt plus the product of eight times rent expense, net of cash and cash equivalents and temporary investments divided by EBITDAR (Earnings Before Interest, Tax, Depreciation, Amortization, Impairment and Rent expense) adjusted for restructuring costs, curtailment gain on certain defined benefits pension plans obligation as well as negative goodwill. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
- (10) This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity for the corresponding period. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
- (11) This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed for the corresponding period. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

## Revenues

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

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

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

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

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

## Gross profit

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

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

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

(US cents per gallon)

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

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

## Operating, selling, administrative and general expenses

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

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

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

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

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

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

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

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

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

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

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

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

## Net financial expenses

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

## Income taxes

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

## Net earnings

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

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



## Financial Position as at April 27, 2014

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

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

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

Significant balance sheet variations are explained as follows:

### Accounts receivable

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

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

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

### Other financial liabilities

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

### Shareholders' Equity

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

## Liquidity and Capital Resources

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

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

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

Our revolving credit facilities are detailed as follow:

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

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

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

*Term revolving unsecured operating credit E, maturing in December 2016*

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

*Available liquidities*

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

## Selected Consolidated Cash Flow Information

	12-week periods ended			52-week periods ended		
	April 27, 2014	April 28, 2013	Variation	April 27, 2014	April 28, 2013	Variation
(In millions of US dollars)						
<b>Operating activities</b>						
Net cash provided by operating activities	324.0	486.6	(162.6)	1,429.3	1,161.4	267.9
<b>Investing activities</b>						
Purchase of property and equipment and other assets, net of proceeds from the disposal of property and equipment and other assets	(175.7)	(158.4)	(17.3)	(459.0)	(486.9)	27.9
Business acquisitions	(1.4)	(51.5)	50.1	(159.6)	(2,644.6)	2,485.0
Proceeds from sale and lease back transaction	-	30.3	(30.3)	-	30.3	(30.3)
Net settlement of foreign exchange forward contracts	-	-	-	-	(86.4)	86.4
Other	(0.3)	(0.2)	(0.1)	20.6	1.1	19.5
Net cash used in investing activities	(177.4)	(179.8)	2.4	(598.0)	(3,186.5)	2,588.5
<b>Financing activities</b>						
Repayment of the acquisition facility	(280.0)	-	(280.0)	(1,648.0)	(995.5)	(652.5)
Net increase (decrease) in other debt	96.1	5.4	90.7	431.3	(314.5)	745.8
Issuance of Canadian dollar denominated senior unsecured notes, net of financing costs	-	-	-	285.6	997.5	(711.9)
Dividends	(17.4)	(13.9)	(3.5)	(64.6)	(55.6)	(9.0)
Issuance of shares upon exercise of stock-options	-	-	-	9.4	8.1	1.3
Borrowings under the acquisition facility, net of financing costs	-	-	-	-	3,190.2	(3,190.2)
Repayment of non-current debt assumed on business acquisition	-	-	-	-	(800.5)	800.5
Issuance of shares on public offering, net of issuance costs	-	-	-	-	333.4	(333.4)
Net cash (used in) provided by financing activities	(201.3)	(8.5)	(192.8)	(986.3)	2,363.1	(3,349.4)
<b>Credit rating</b>						
Standard and Poor's				BBB-	BBB-	
Moody's <sup>(1)</sup>				Baa3	Baa3	
(1) Moody's credit rating for Couche-Tard's senior unsecured notes						

## Operating activities

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

## Investing activities

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

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

## Financing activities

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

## Selected Quarterly Financial Information

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

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

The volatility of road transportation fuel gross margin and seasonality both have an impact on the variability of our quarterly net earnings. Given acquisitions made in recent years and higher retail prices at the pump, road transportation fuel revenues have become a more significant segment of our business and therefore our quarterly results are more sensitive to the volatility of road transportation fuel gross margins. However, road transportation fuel margins tend to be less volatile when considered on an annual basis or a longer term. With that said, the majority of our operating income is still derived from merchandise and service sales.

## Outlook

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

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

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

## 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 number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel in Scandinavian countries and in the Baltic States while it has a growing presence in Poland.

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

In Europe, Couche-Tard operates a broad retail network across Scandinavia (Norway, Sweden, Denmark), Poland, the Baltics (Estonia, Latvia, Lithuania) and Russia, which comprised 2,258 stores as at April 27, 2014, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated service-stations which offer road transportation fuel only. The Corporation also offers other products, including stationary energy, marine fuel, aviation fuel, lubricants and chemicals. Couche-Tard operates key fuel terminals and fuel depots in eight countries. Including employees at Statoil branded franchise stations, about 17,500 people work in its retail network, terminals and service offices across Europe.

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

### Source

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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", "could", "should", "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 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 July 7, 2014 at 2:30 P.M. (ET)

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Couche-Tard invites analysts known to the Corporation to send their two questions in advance to its management, before 11:00 A.M. (ET) on July 7, 2014.

Financial analysts and investors who wish to listen to the webcast on Couche-Tard's results which will take place online on July 7, 2014 at 2:30 P.M. (ET) can do so by accessing the Corporation's website at [www.couche-tard.com/corporate](http://www.couche-tard.com/corporate) and by clicking on the corporate presentations link of the investor relations section. For those who will not be able to listen to the live presentation, the recording of the webcast will be available on the Corporation's website for a period of 90 days.

## CONSOLIDATED STATEMENTS OF EARNINGS

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

For the periods ended	12 weeks		52 weeks	
	April 27, 2014	April 28, 2013	April 27, 2014	April 28, 2013
	\$	\$	\$	\$
<b>Revenues</b>	<b>8,952.3</b>	8,776.0	<b>37,956.6</b>	35,543.4
Cost of sales	<b>7,834.2</b>	7,655.7	<b>32,965.3</b>	30,933.8
<b>Gross profit</b>	<b>1,118.1</b>	1,120.3	<b>4,991.3</b>	4,609.6
Operating, selling, administrative and general expenses	<b>822.0</b>	815.8	<b>3,423.1</b>	3,239.6
Negative goodwill	<b>(0.2)</b>	(2.8)	<b>(48.4)</b>	(4.4)
Restructuring costs	-	34.0	-	34.0
Curtailment gain on defined benefits pension plans obligation	-	(19.4)	<b>(0.9)</b>	(19.4)
Depreciation, amortization and impairment of property and equipment, intangibles and other assets (Note 6)	<b>142.0</b>	138.1	<b>583.2</b>	521.1
	<b>963.8</b>	965.7	<b>3,957.0</b>	3,770.9
<b>Operating income</b>	<b>154.3</b>	154.6	<b>1,034.3</b>	838.7
Share of earnings of joint ventures and associated companies accounted for using the equity method	<b>3.9</b>	3.0	<b>22.7</b>	15.8
Financial expenses	<b>20.7</b>	29.5	<b>111.4</b>	118.0
Financial revenues	<b>(2.5)</b>	(2.0)	<b>(10.9)</b>	(9.9)
Loss on foreign exchange forward contracts	-	-	-	102.9
Foreign exchange loss (gain)	<b>8.7</b>	(6.8)	<b>10.1</b>	(3.2)
<b>Net financial expenses</b>	<b>26.9</b>	20.7	<b>110.6</b>	207.8
Earnings before income taxes	<b>131.3</b>	136.9	<b>946.4</b>	646.7
Income taxes	<b>(13.8)</b>	(9.5)	<b>134.2</b>	73.9
<b>Net earnings</b>	<b>145.1</b>	146.4	<b>812.2</b>	572.8
Net earnings attributable to:				
Shareholders of the Corporation	<b>144.8</b>	146.4	<b>811.2</b>	572.8
Non-controlling interest (Note 5)	<b>0.3</b>	-	<b>1.0</b>	-
<b>Net earnings</b>	<b>145.1</b>	146.4	<b>812.2</b>	572.8
Net earnings per share (Note 7)				
Basic	<b>0.26</b>	0.26	<b>1.44</b>	1.03
Diluted	<b>0.25</b>	0.26	<b>1.43</b>	1.02
Weighted average number of shares (in thousands)	<b>565,720</b>	562,572	<b>564,511</b>	555,083
Weighted average number of shares – diluted (in thousands)	<b>568,478</b>	567,421	<b>568,140</b>	560,567
Number of shares outstanding at end of period (in thousands)	<b>565,748</b>	562,708	<b>565,748</b>	562,708

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 periods ended	12 weeks		52 weeks	
	April 27, 2014	April 28, 2013	April 27, 2014	April 28, 2013
	\$	\$	\$	\$
<b>Net earnings</b>	<b>144.1</b>	146.4	<b>811.2</b>	572.8
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to earnings</b>				
<b>Translation adjustments</b>				
Changes in cumulative translation adjustments <sup>(1)</sup>	99.5	(102.7)	42.4	183.3
Change in fair value of financial instruments designated as a hedge of the Corporation's net investment in its U.S. operations <sup>(2)</sup>	9.3	(10.2)	(45.7)	(16.9)
Net interest on financial instruments designated as a hedge of the Corporation's net investment in its U.S. operations <sup>(3)</sup>	0.6	1.8	2.6	1.8
<b>Cash flow hedges</b>				
Change in fair value of financial instruments <sup>(4)</sup>	(3.9)	3.9	2.8	7.6
Loss (gain) realized on financial instruments reclassified to earnings <sup>(5)</sup>	4.4	(3.3)	(1.1)	(7.8)
<b>Items that will never be reclassified to earnings</b>				
<b>Net actuarial (loss) gain <sup>(6)</sup></b>	<b>(2.7)</b>	(26.8)	<b>0.1</b>	1.0
Other comprehensive income (loss)	<b>107.2</b>	(137.3)	<b>1.1</b>	169.0
<b>Comprehensive income</b>	<b>251.3</b>	9.1	<b>812.3</b>	741.8
Comprehensive income attributable to:				
Shareholders of the Corporation	<b>251.0</b>	9.1	<b>811.3</b>	749.7
Non-controlling interest	<b>0.3</b>	-	<b>1.0</b>	(7.9)
<b>Comprehensive income</b>	<b>251.3</b>	9.1	<b>812.3</b>	741.8

(1) For the 52-week period ended April 28, 2013, this amount includes a gain of \$20.7, net of income taxes of \$3.2. This gain arises from the translation of the US dollar denominated long-term debt which was previously designated as a foreign exchange hedge of the Corporation's net investment in its U.S. operations.

(2) For the 12 and 52-week periods ended April 27, 2014, these amounts are net of income taxes of \$1.3 and \$7.8, respectively. For the 12 and 52-week periods ended April 28, 2013, these amounts are net of income taxes of \$2.0 and \$3.5, respectively.

(3) For the 12 and 52-week periods ended April 27, 2014, these amounts are net of income taxes of \$0.2 and \$0.9, respectively. For the 12 and 52-week periods ended April 28, 2013, these amounts are net of income taxes of \$0.8.

(4) For the 12 and 52-week periods ended April 27, 2014, these amounts are net of income taxes of \$1.4 and \$1.0, respectively. For the 12 and 52-week periods ended April 28, 2013, these amounts are net of income taxes of \$1.8 and \$2.6, respectively.

(5) For the 12 and 52-week periods ended April 27, 2014, these amounts are net of income taxes of \$1.6 and \$0.4, respectively. For the 12 and 52-week periods ended April 28, 2013, these amounts are net of income taxes of \$1.8 and \$2.8, respectively.

(6) For the 12 and 52-week periods ended April 27, 2014, these amounts are net of income taxes of \$0.7 and \$0.2, respectively. For the 12 and 52-week periods ended April 28, 2013, these amounts are net of income taxes of \$10.5 and \$0.3, respectively.

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 52-week period ended

April 27, 2014

	Attributable to the shareholders of the Corporation						Non-controlling interest	Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total			
	\$	\$	\$	\$	\$	\$	\$	
<b>Balance, beginning of period</b>	670.4	16.5	2,344.0	185.8	3,216.7	-	3,216.7	
Comprehensive income:								
Net earnings			811.2		811.2	1.0	812.2	
Other comprehensive income				1.1	1.1		1.1	
Comprehensive income					812.3	1.0	813.3	
Dividends			(64.6)		(64.6)		(64.6)	
Addition to non-controlling interest (Note 5)					-	13.2	13.2	
Redemption liability (Note 5)			(13.2)		(13.2)		(13.2)	
Stock option-based compensation expense		1.8			1.8		1.8	
Initial fair value of stock options exercised	6.7	(6.7)			-		-	
Cash received upon exercise of stock options	9.4				9.4		9.4	
<b>Balance, end of period</b>	<b>686.5</b>	<b>11.6</b>	<b>3,077.4</b>	<b>186.9</b>	<b>3,962.4</b>	<b>14.2</b>	<b>3,976.6</b>	

For the 52-week period ended

April 28, 2013

	Attributable to the shareholders of the Corporation						Non-controlling interest	Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total			
	\$	\$	\$	\$	\$	\$	\$	
<b>Balance, beginning of period</b>	321.0	17.9	1,826.8	8.9	2,174.6		2,174.6	
Comprehensive income:								
Net earnings			572.8		572.8		572.8	
Other comprehensive income				176.9	176.9	(7.9)	169.0	
Comprehensive income (loss)					749.7	(7.9)	741.8	
Dividends			(55.6)		(55.6)		(55.6)	
Acquisition of control of Statoil Fuel & Retail					-	487.2	487.2	
Acquisition of non-controlling interest in Statoil Fuel & Retail					-	(479.3)	(479.3)	
Class B subordinate voting shares issued for cash on public offering, net of transaction costs <sup>(1)</sup>	337.2				337.2		337.2	
Stock option-based compensation expense		2.7			2.7		2.7	
Initial fair value of stock options exercised	4.1	(4.1)			-		-	
Cash received upon exercise of stock options	8.1				8.1		8.1	
<b>Balance, end of period</b>	<b>670.4</b>	<b>16.5</b>	<b>2,344.0</b>	<b>185.8</b>	<b>3,216.7</b>	<b>-</b>	<b>3,216.7</b>	

(1) This amount is net of transaction costs which are net of a related income tax benefit of \$3.8.

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 periods ended	12 weeks		52 weeks	
	April 27, 2014	April 28, 2013	April 27, 2014	April 28, 2013
	\$	\$	\$	\$
<b>Operating activities</b>				
Net earnings	145.1	146.4	812.2	572.8
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	135.1	132.5	553.9	486.3
Loss on disposal of property and equipment and other assets	3.9	10.7	7.6	8.3
Deferred income taxes	2.6	(86.2)	(60.9)	(122.1)
Share of earnings of joint ventures and associated companies accounted for using the equity method, net of dividends received	(2.0)	(1.5)	9.8	(9.6)
Deferred credits	2.1	(0.1)	11.4	17.3
Negative goodwill (Note 3)	(0.2)	(2.8)	(48.4)	(4.4)
Restructuring costs	-	34.0	-	34.0
Curtailment gain on defined benefits pension plans obligation	-	(19.4)	(0.9)	(19.4)
Loss on foreign exchange forward contracts	-	-	-	102.9
Other	(0.9)	(5.4)	30.0	26.4
Changes in non-cash working capital	38.3	278.4	114.6	68.9
<b>Net cash provided by operating activities</b>	<b>324.0</b>	<b>486.6</b>	<b>1,429.3</b>	<b>1,161.4</b>
<b>Investing activities</b>				
Purchase of property and equipment and other assets	(186.6)	(171.1)	(529.4)	(537.3)
Proceeds from disposal of property and equipment and other assets	10.9	12.7	70.4	50.4
Business acquisitions (Note 3)	(1.4)	(51.5)	(159.6)	(2,644.6)
Restricted cash	(0.3)	(0.2)	20.6	1.1
Proceeds from sale and leaseback transactions	-	30.3	-	30.3
Net settlement of foreign exchange forward contracts	-	-	-	(86.4)
<b>Net cash used in investing activities</b>	<b>(177.4)</b>	<b>(179.8)</b>	<b>(598.0)</b>	<b>(3,186.5)</b>
<b>Financing activities</b>				
Repayment under the unsecured non-revolving acquisition credit facility	(280.0)	-	(1,648.0)	(995.5)
Net increase (decrease) in other debt	96.1	5.4	431.3	(314.5)
Cash dividends paid	(17.4)	(13.9)	(64.6)	(55.6)
Issuance of Canadian dollar denominated senior unsecured notes, net of financing costs (Note 4)	-	-	285.6	997.5
Issuance of shares upon exercise of stock-options	-	-	9.4	8.1
Borrowings under the unsecured non-revolving acquisition credit facility, net of financing costs	-	-	-	3,190.2
Repayment of non-current debt assumed on business acquisition	-	-	-	(800.5)
Issuance of shares on public offering, net of transaction costs	-	-	-	333.4
<b>Net cash (used in) provided by financing activities</b>	<b>(201.3)</b>	<b>(8.5)</b>	<b>(986.3)</b>	<b>2,363.1</b>
Effect of exchange rate fluctuations on cash and cash equivalents	19.1	(15.8)	6.0	16.0
	(35.6)	282.5	(149.0)	354.0
Cash, cash equivalents and bank overdraft, beginning of period	544.9	375.8	658.3	304.3
Cash, cash equivalents and bank overdraft, end of period	509.3	658.3	509.3	658.3
Bank overdraft, end of period <sup>(1)</sup>			1.8	-
Cash and cash equivalents, end of period			511.1	658.3
<b>Supplemental information:</b>				
Interest paid	14.1	17.6	78.5	76.9
Interest and dividends received	0.3	2.5	41.3	11.7
Income taxes paid	29.7	83.7	172.3	172.3
<b>Cash and cash equivalents components:</b>				
Cash and demand deposits			484.5	619.2
Liquid investments			26.6	39.1
			511.1	658.3

(1) Bank overdraft is included in Bank loans and current portion of long-term debt on the consolidated balance sheet.

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 April 27, 2014	As at April 28, 2013
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	511.1	658.3
Restricted cash	1.0	21.6
Accounts receivable	1,726.4	1,616.0
Inventories	848.0	846.0
Prepaid expenses	60.0	57.8
Income taxes receivable	68.4	81.6
	3,214.9	3,281.3
Property and equipment	5,131.0	5,079.9
Goodwill	1,088.7	1,081.0
Intangible assets	823.5	834.7
Other assets	159.8	136.3
Investment in joint ventures and associated companies	75.4	84.2
Deferred income taxes	51.7	48.8
	10,545.0	10,546.2
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	2,510.3	2,351.1
Provisions	102.4	96.5
Income taxes payable	29.8	70.0
Bank loans and current portion of long-term debt (Note 4)	20.3	620.8
	2,662.8	3,138.4
Long-term debt (Note 4)	2,586.1	2,984.3
Provisions	390.5	358.8
Pension benefit liability	119.8	109.7
Other financial liabilities	73.9	20.4
Deferred credits and other liabilities	169.5	156.7
Deferred income taxes	565.8	561.2
	6,568.4	7,329.5
<b>Equity</b>		
Capital stock (Note 9)	686.5	670.4
Contributed surplus	11.6	16.5
Retained earnings	3,077.4	2,344.0
Accumulated other comprehensive income (Note 8)	186.9	185.8
Equity attributable to shareholders of the Corporation	3,962.4	3,216.7
Non-controlling interest	14.2	-
	3,976.6	3,216.7
	10,545.0	10,546.2

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 28, 2013, except for 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 2013 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 July 7, 2014, the Corporation’s interim financial statements were approved by the board of directors who also approved their publication.

### 2. ACCOUNTING CHANGES

#### Revised Standards

##### *Financial Statement Presentation*

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

#### New standards

##### *Consolidated financial statements*

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

##### *Joint Arrangements*

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

##### *Disclosure of Interest in Other Entities*

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

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

### *Fair Value Measurement*

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

### *Impairment of Assets*

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

### *Offsetting financial assets and financial liabilities*

On April 29, 2013, the Corporation early-adopted amendments to IAS 32 "Financial Instruments - Presentation" which was amended to clarify the requirements for offsetting financial assets and financial liabilities. The Corporation also early-adopted amendments to IFRS 7 "Financial Instruments - Disclosures" which was amended to improve disclosures on offsetting of financial assets and financial liabilities. These amendments did not impact the Corporation's consolidated financial statements, but additional information will be required in the annual financial statements.

### **Recently issued but not yet implemented**

#### *Classification and measurement of financial assets and financial liabilities*

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

### **3. BUSINESS ACQUISITIONS**

- On December 13, 2013, the Corporation acquired 23 company-operated stores operating in New Mexico, United States from Albuquerque Convenience and Retail LLC. The Corporation owns the land and buildings for all sites.
- On December 10, 2013, the Corporation acquired, from Publix Super Markets Inc., 11 company-operated stores, nine of which are located in Florida and the other two in Georgia, United States. The Corporation owns the land and buildings for eight sites and leases the land and owns the building for the other three sites.
- On September 24, 2013, the Corporation acquired nine stores located in Illinois, United States from Baron-Huot Oil Company. Eight of these stores are company-operated and one is operated by an independent operator. The Corporation owns the real estate for eight sites and leases the land and building for one site.
- During the 52-week period ended April 27, 2014, under the June 2011 agreement with ExxonMobil, the Corporation acquired 60 stores operated by independent operators along with the related road transportation fuel supply agreements. The Corporation owns the real estate for all sites. Also, an additional 53 road transportation fuel supply agreements were acquired by the Corporation during this period.
- During the 52-week period ended April 27, 2014, the Corporation also acquired 10 other stores through distinct transactions. The Corporation leases the land and buildings for five sites, leases the land and owns the building for one site and owns these same assets for the other sites.

For the 52-week period ended April 27, 2014, acquisition costs of \$1.3 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 \$159.6. 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

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

certain acquisitions are subject to adjustments to the fair value of the assets, liabilities and goodwill until the process is 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	4.6
Property and equipment	162.3
Other assets	14.3
<u>Total tangible assets</u>	<u>181.2</u>
Liabilities assumed	
Accounts payable and accrued liabilities	0.4
Provisions	19.6
<u>Total liabilities</u>	<u>20.0</u>
<u>Net tangible assets acquired</u>	<u>161.2</u>
Intangible assets	30.8
Goodwill	16.0
Negative goodwill recorded to earnings	(48.4)
<u>Total cash consideration paid</u>	<u>159.6</u>

The Corporation expects that \$3.0 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 \$504.0 and \$4.2, 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 April 27, 2014	As at April 28, 2013
	\$	\$
Canadian dollar denominated senior unsecured notes maturing on various dates from November 2017 to November 2022	1,172.7	978.7
US dollar denominated term revolving unsecured operating credit D, maturing in December 2017	793.5	345.5
US dollar denominated unsecured non-revolving acquisition credit facility, maturing in June 2015	552.3	2,197.3
NOK denominated floating rate bonds, maturing in February 2017	2.5	2.6
NOK denominated fixed rate bonds, maturing in February 2019	2.2	2.3
Borrowings under bank overdraft facilities, maturing at various dates	1.8	-
Other debts, including finance leases, maturing at various dates	81.4	78.7
	<u>2,606.4</u>	<u>3,605.1</u>
Bank loans and current portion of long-term debt	20.3	620.8
	<u>2,586.1</u>	<u>2,984.3</u>

#### Issuance of Canadian dollar denominated senior unsecured notes

On August 21, 2013, the Corporation issued Canadian dollar denominated senior unsecured notes totalling CA\$300.0, maturing August 21, 2020 and bearing interest at a rate of 4.214%. Interest is payable semi-annually on August 21<sup>st</sup> and February 21<sup>st</sup> of each year. The net proceeds from the issuance, which were approximately \$285.6 (CA\$298.3), were used to repay a portion of the Corporation's acquisition credit facility. This new debt is presented along with the Canadian dollar denominated senior unsecured notes maturing on various dates from November 2017 to November 2022.

#### US dollar denominated term revolving unsecured operating credit D

On November 4, 2013, the Corporation extended by one year the term of the revolving unsecured operating credit D agreement. The agreement will expire in December 2017.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

### 5. NON-CONTROLLING INTEREST

During the 52-week period ended April 27, 2014, the Corporation, along with another party, established a new corporation: Circle K Asia s.à.r.l. ("Circle K Asia"), in which both parties hold a 50% interest. Subsequently, each party made a capital contribution of \$13.2. Under the agreement signed between the parties, the Corporation, under certain circumstances, may repurchase all of the other party's shares in Circle K Asia. Consequently, Circle K Asia was fully consolidated in the Corporation's financial statements and the other party's interest in Circle K Asia was recorded under "Non-controlling interest" in the consolidated statements of earnings, comprehensive income, changes in equity and consolidated balance sheet. Under other circumstances, the Corporation must repurchase all of the other party's shares in Circle K Asia. Consequently, a redemption liability was recorded against shareholders' equity. Subsequent changes to this liability are recorded to Operating, selling, administrative and general expenses.

### 6. IMPAIRMENT OF ASSET

During the 52-week period ended April 27, 2014, the Corporation recorded an impairment charge of \$6.8 on a non-operational lubricant production plant located in Ostrowiec, Poland, due to challenging market conditions for this type of asset. The fair value measurement of this asset is categorized as level 3 as it is based on purchase offers received by the Corporation. The fair value less cost to sell of this asset was determined to be \$4.5.

### 7. NET EARNINGS PER SHARE

The following table presents the information for the computation of basic and diluted net earnings per share, adjusted for the share split described in Note 0:

	12-week period ended April 27, 2014			12-week period ended April 28, 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	144.8	565,720	0.26	146.4	562,572	0.26
Dilutive effect of stock options		2,758	(0.01)		4,849	
Diluted net earnings available for Class A and B shareholders	144.8	568,478	0.25	146.4	567,421	0.26

  

	52-week period ended April 27, 2014			52-week period ended April 28, 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	811.2	564,511	1.44	572.8	555,083	1.03
Dilutive effect of stock options		3,629	(0.01)		5,484	(0.01)
Diluted net earnings available for Class A and B shareholders	811.2	568,140	1.43	572.8	560,567	1.02

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 and 52-week periods ended April 27, 2014, no stock options were excluded. For the 12 week period ended April 28, 2013, no stock options were excluded and for the 52-week period ended April 28, 2013, 105,000 stock options were excluded from the calculation.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

### 8. ACCUMULATED OTHER COMPREHENSIVE INCOME

As at April 27, 2014

	Attributable to shareholders of the Corporation					Accumulated other comprehensive income
	Items that may be reclassified to earnings				Will never be reclassified to earnings	
	Net interest on investment hedge	Net investment hedge	Cumulative translation adjustments	Cash flow hedge	Cumulative net actuarial loss	
	\$	\$	\$	\$	\$	\$
Balance, before income taxes	6.1	(73.9)	246.7	4.4	(6.8)	176.5
Less: Income taxes	1.7	(11.3)	-	1.0	(1.8)	(10.4)
<b>Balance, net of income taxes</b>	<b>4.4</b>	<b>(62.6)</b>	<b>246.7</b>	<b>3.4</b>	<b>(5.0)</b>	<b>186.9</b>

As at April 28, 2013

	Attributable to shareholders of the Corporation					Accumulated other comprehensive income
	Items that may be reclassified to earnings				Will never be reclassified to earnings	
	Net interest on investment hedge	Net investment hedge	Cumulative translation adjustments	Cash flow hedge	Cumulative net actuarial loss	
	\$	\$	\$	\$	\$	\$
Balance, before income taxes	2.6	(20.4)	204.3	2.1	(7.1)	181.5
Less: Income taxes	0.8	(3.5)	-	0.4	(2.0)	(4.3)
<b>Balance, net of income taxes</b>	<b>1.8</b>	<b>(16.9)</b>	<b>204.3</b>	<b>1.7</b>	<b>(5.1)</b>	<b>185.8</b>

### 9. CAPITAL STOCK

#### Stock split

On March 11, 2014, the Corporation's Board of Directors approved a three-for-one split of all the Corporation's issued and outstanding Class "A" and "B" shares. This share split was approved by regulatory authorities and occurred on April 14, 2014. All share and per-share information in these consolidated financial statements has been adjusted retroactively to reflect this stock split.

#### Stock options

For the 12-week period ended April 27, 2014, a total of 40,695 stock options were exercised (312,900 for the 12-week period ended April 28, 2013). For the 52-week period ended April 27, 2014, a total of 3,167,925 stock options were exercised (3,810,972 for the 52-week period ended April 28, 2013).

#### Issued and outstanding shares

As at April 27, 2014, the Corporation has 148,101,840 (148,101,840 as at April 28, 2013) issued and outstanding Class A multiple voting shares each comprising ten votes per share and 417,646,072 (414,606,183 as at April 28, 2013) outstanding Class B subordinate voting shares each comprising one vote per share.



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

### 10. 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.

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

	12-week period ended April 27, 2014				12-week period ended April 28, 2013			
	United States	Europe	Canada	Total	United States	Europe	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>External customer revenues<sup>(a)</sup></b>								
Merchandise and services	1,119.3	253.3	419.8	1,792.4	1,062.1	246.5	457.5	1,766.1
Road transportation fuel	3,749.4	2,085.3	620.2	6,454.9	3,614.8	2,063.4	630.8	6,309.0
Other	3.7	700.6	0.7	705.0	1.6	699.2	0.1	700.9
	<b>4,872.4</b>	<b>3,039.2</b>	<b>1,040.7</b>	<b>8,952.3</b>	<b>4,678.5</b>	<b>3,009.1</b>	<b>1,088.4</b>	<b>8,776.0</b>
<b>Gross Profit</b>								
Merchandise and services	371.0	108.7	136.3	616.0	346.9	107.7	151.3	605.9
Road transportation fuel	159.4	211.4	33.6	404.4	188.8	196.2	35.7	420.7
Other	3.7	93.3	0.7	97.7	1.6	92.0	0.1	93.7
	<b>534.1</b>	<b>413.4</b>	<b>170.6</b>	<b>1,118.1</b>	<b>537.3</b>	<b>395.9</b>	<b>187.1</b>	<b>1,120.3</b>
<b>Total long-term assets<sup>(b)</sup></b>	<b>2,862.2</b>	<b>3,769.9</b>	<b>591.2</b>	<b>7,223.3</b>	<b>2,678.3</b>	<b>3,861.0</b>	<b>635.6</b>	<b>7,174.9</b>

	52-week period ended April 27, 2014				52-week period ended April 28, 2013			
	United States	Europe	Canada	Total	United States	Europe	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>External customer revenues<sup>(a)</sup></b>								
Merchandise and services	4,818.9	1,046.8	2,081.5	7,947.2	4,548.6	866.1	2,181.7	7,596.4
Road transportation fuel	15,493.3	8,824.9	2,890.6	27,208.8	14,872.6	7,537.9	2,860.8	25,271.3
Other	14.7	2,784.8	1.1	2,800.6	6.6	2,668.6	0.5	2,675.7
	<b>20,326.9</b>	<b>12,656.5</b>	<b>4,973.2</b>	<b>37,956.6</b>	<b>19,427.8</b>	<b>11,072.6</b>	<b>5,043.0</b>	<b>35,543.4</b>
<b>Gross Profit</b>								
Merchandise and services	1,575.8	437.4	689.3	2,702.5	1,505.9	359.6	733.0	2,598.5
Road transportation fuel	796.1	928.8	163.5	1,888.4	782.5	719.1	162.6	1,664.2
Other	14.7	384.6	1.1	400.4	6.6	339.8	0.5	346.9
	<b>2,386.6</b>	<b>1,750.8</b>	<b>853.9</b>	<b>4,991.3</b>	<b>2,295.0</b>	<b>1,418.5</b>	<b>896.1</b>	<b>4,609.6</b>

(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.

### 11. 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;
- The fair value of the senior unsecured notes, which is based on observable market data, is \$1,191.5 as at April 27, 2014 (\$1,002.6 as at April 28, 2013);
- 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.

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

- The fair value of the foreign exchange forward contracts is determined by comparing the original rates of the contracts with rates prevailing at the revaluation date for contracts having similar values and maturities.
- The fair value of commodity futures is determined by quoted market prices.

### 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.

## 12. SUBSEQUENT EVENTS

### Acquisition

On June 23, 2014, the Corporation acquired, from Garvin Oil Company, 15 company-operated stores operating in South Carolina, United States. The Corporation owns the land and buildings for all sites. Since the Corporation has not completed its fair value assessment of the assets acquired, the liabilities assumed and goodwill for this transaction, its preliminary purchase price allocation is not presented.

### Dividends

During its July 7, 2014 meeting, the Corporation's Board of Directors declared a quarterly dividend of CA\$4.0 per share for the fourth quarter of fiscal 2014 to shareholders on record as at July 16, 2014 and approved its payment for July 30, 2014. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

### Term revolving unsecured operating credit D

On May 16, 2014 the Corporation increased the maximum amount of this credit facility from \$1,275.0 to \$1,525.0. All other conditions related to this agreement remain unchanged.