Fiscal Year 2015

ALIMENTATION COUCHE-TARD INC.

MANAGEMENT DISCUSSION & ANALYSIS

52-week period ended April 26, 2015

Management's Discussion and Analysis

The purpose of this Management's Discussion and Analysis ("MD&A") is, as required by regulators, to explain management's point of view on Alimentation Couche-Tard Inc.'s ("Couche-Tard") financial condition and results of operations as well as its performance during the fiscal year ending April 26, 2015. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader's understanding of the consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By "we", "our", "us" and "the Corporation", we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars ("US dollars") and determined on the basis of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). We also use measures in this MD&A that do not comply with IFRS. When such measures are presented, they are defined and the reader is informed. This MD&A should be read in conjunction with the annual consolidated financial statements and related notes included in our 2015 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, is available on SEDAR at www.sedar.com and on our website at http://corpo.couche-tard.com/.

Forward-Looking Statements

This MD&A includes certain statements that are "forward-looking statements" within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words "believe", "could", "should", "intend", "expect", "estimate", "assume" and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at July 14, 2015, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard's or the industry's outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include the effect of sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

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

The foregoing risks and uncertainties include the risks set forth under "Business Risks" in our 2015 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

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

As of April 26, 2015, our network comprises 7,848 convenience stores throughout North America, including 6,404 stores offering road transportation fuel. Our North-American network consists of 14 business units, including ten in the United States covering 41 states and four in Canada covering all ten provinces. About 80,000 people are employed throughout our network and at the service offices in North America.

In Europe, we operate a broad retail network across Scandinavia (Norway, Sweden, Denmark), Poland, the Baltics (Estonia, Latvia, Lithuania) and Russia with 2,230 stores as at April 26, 2015, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated service stations which offer road transportation fuel only. We also offer other products, including stationary energy, marine fuel, lubricants and chemicals and we operate key fuel terminals and fuel depots in six countries. Including employees at Statoil branded franchise stations, about 19,000 people work in our retail network, terminals and service offices across Europe.

In addition, about 4,700 stores are operated by independent operators under the Circle K banner in 12 other countries or regions worldwide (China, Guam, Honduras, Hong Kong, Indonesia, Japan, Macau, Malaysia, Mexico, the Philippines, the United Arab Emirates and Vietnam) which brings the total network to over 14,700 stores.

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

Value creation

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

No matter the context, acquisitions have to be concluded at reasonable conditions in order to create value for our Corporation and its shareholders. Therefore, we do not favour store count growth to the detriment of profitability. In addition to our participation in the consolidation phase of our sector and potentially in the acquisition of integrated oil companies' retail assets, it has to be noted that organic contribution has played an important role in the recent growth of our net earnings. The on-going improvement of our offer, including fresh products, supply terms and efficiency of our business has been a highlight, especially with the absence of significant acquisitions and net growth in store count in the recent years, prior to the acquisition of Statoil Fuel & Retail and The Pantry . Thus, all these elements contributed to the growth in net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

Exchange Rate Data

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

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

	12-week periods ended		**52-week periods ended**		
	April 26, 2015	April 27, 2014	**April 26, 2015**	April 27, 2014	April 28, 2013
Average for period					
Canadian Dollar (1)	**0.7993**	0.9045	**0.8708**	0.9439	0.9966
Norwegian Krone (2)	**0.1277**	0.1659	**0.1454**	0.1665	0.1737
Swedish Krone (2)	**0.1174**	0.1542	**0.1333**	0.1533	0.1513
Danish Krone (2)	**0.1471**	0.1845	**0.1656**	0.1805	0.1730
Zloty (2)	**0.2673**	0.3289	**0.2959**	0.3200	0.3117
Euro (2)	**1.0980**	1.3770	**1.2431**	1.3466	1.2893
Lats (3)	**-**	-	**-**	1.9002	1.8481
Litas (4)	**-**	0.3989	**0.3790**	0.3897	0.3735
Ruble (2)	**0.0170**	0.0280	**0.0213**	0.0300	0.0320

	As at April 26, 2015	As at April 27, 2014
Period end		
Canadian Dollar	**0.8217**	0.9061
Norwegian Krone	**0.1286**	0.1681
Swedish Krone	**0.1159**	0.1537
Danish Krone	**0.1457**	0.1858
Zloty	**0.2697**	0.3301
Euro	**1.0875**	1.3870
Litas	**-**	0.4018
Ruble	**0.0196**	0.0281

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

(2) Average rate for the period from February 1st, 2015 to April 30, 2015 for the 12-week period ended April 26, 2015, from May 1st, 2014 to April 30, 2015 for the 52-week period ended April 26, 2015, from February 1st, 2014 to April 30, 2014 for the 12-week period ended April 27, 2014, from May 1st, 2013 to April 30, 2014 for the 52-week period ended April 27, 2014 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 1st, 2014, Latvia changed its currency from the Lats to the Euro. The average rate is for the period from May 1st, 2013 to December 31, 2013 for the 52-week period ended April 27, 2014 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) On January 1st, 2015, Lithuania changed its currency from the Litas to the Euro. The average rate is for the period from May 1st, 2014 to December 31, 2014 for the 52-week period ended April 26, 2015, from February 1st, 2014 to April 30, 2014 for the 12-week period ended April 27, 2014 and from May 1st, 2013 to April 30, 2014 for the 52-week period ended April 27, 2014. Calculated using the average exchange rate at the close of each day for the stated period.

On January 1st, 2015, Lithuania changed its official currency from the Litas to the Euro. Results from the Lithuanian operations prior to the conversion date were converted using the Litas exchange rates as described in footnote 4 above while results following this date were converted using Euro exchange rates. Balance sheet items from Lithuanian operations as at April 26, 2015 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 otherwise indicated, results from our Canadian, European and corporate operations are translated into US dollars using the average rate for the period. Unless otherwise indicated, variances and explanations regarding changes in the foreign exchange rate and the volatility of the Canadian dollar and European currencies which we discuss in the present document are therefore related to the translation into US dollars of our Canadian, European and corporate operations results.

Fiscal 2015 Overview

Net earnings amounted to $933.5 million for fiscal 2015. Fiscal 2015 results were affected by restructuring and integration costs of $30.3 million in connection with the acquisition of The Pantry and restructuring activities in Europe, a net foreign exchange loss of $22.7 million, a non-recurring $41.8 million tax expense related to an internal reorganization, an $11.0 million loss from the disposal of our aviation fuel business, a curtailment gain on defined benefits pension plans obligation of $2.6 million as well as a negative goodwill of $1.2 million. On the other hand, the results of fiscal 2014 included a negative goodwill of $48.4 million, a non-recurring income tax recovery of $28.2 million, a net foreign exchange loss of $10.1 million, a $6.8 million impairment charge over a non-operational lubricant plant in Poland, as well as a $0.9 million curtailment gain on pensions plan obligation.

Excluding these items as well as acquisition costs from both periods, fiscal 2015 net earnings would have been approximately $1,022.0 million ($1.80 per share on a diluted basis) compared with $766.0 million ($1.35 per share on a diluted basis) for fiscal 2014, an increase of $256.0 million, or 33.4%. This significant growth in net earnings is attributable to higher road transportation fuel margins, to the continuous strong organic growth from merchandise and services and road transportation fuel, to the contribution from acquisitions as well as to the decrease in financial expenses following the repayment of a significant portion of our debt during the first three quarters. These items, which contributed to the growth in net earnings, were partially offset by the negative net impact from the translation of revenues and expenses from our Canadian and European operations into the US dollar and by a higher tax rate.

Acquisition of The Pantry Inc. ("The Pantry")

On March 16, 2015, we acquired 100% of the outstanding shares of The Pantry, a leading convenience store operator in the southeastern United States and one of the largest independently operated convenience store chains in the United States, through an all-cash transaction valued at $36.75 per share or $850.7 million. During the 52-week periods ended April 26, 2015, we recorded to earnings transaction costs of $0.9 million, in connection with this acquisition.

The Pantry operates approximately 1,500 convenience stores in 13 states under select banners, including Kangaroo Express®, its primary operating banner. The Pantry's stores offer a broad selection of merchandise and other services designed to appeal to the convenience needs of its customers. In addition, the majority of its stores dispense road transportation fuel.

We financed this transaction using our existing credit facilities, for which the limit has been increased for the purpose of this transaction. More details on our credit facilities are available under the section "Liquidity and Capital Resources".

Our results for the 12 and 52-week periods ended April 26, 2015 include those of The Pantry for the period beginning March 16, 2015 and ending April 26, 2015. Our consolidated balance sheet as of April 26, 2015 includes The Pantry's balance sheet at that date. As the acquisition closed shortly before the end of fiscal 2015 and given the size of the transaction, we have not completed our fair value assessment of the assets acquired, the liabilities assumed and the goodwill for this transaction. Consequently, the balance sheet for The Pantry includes the net book values from The Pantry's accounting records at that date, adjusted to be in line with the Corporation's accounting policies. The difference between the purchase price and the net book value related to this acquisition was included in goodwill in the preliminary purchase price allocation and the fair values of assets acquired and liabilities assumed will be adjusted during fiscal 2016.

Synergies and cost reduction initiatives

We are already working on realizing the identified synergies and cost reduction opportunities. We estimate achieving a minimum of $85.0 million[1] in cost reductions over the 24 months following the acquisition in addition to growing in-store sales and fuel volumes in this geographic area through the improvement of our operations and a better brand combination by sharing our business awareness, each company's best practices and better supply conditions.

Since the acquisition, we have already taken actions that should allow us to record cost reductions we estimate to approximately $45.0 million before income taxes on an annual basis. These cost reductions should mainly reduce operating, selling, administrative and general expenses as thus are mainly related to the reduction of overhead costs.

The Pantry's debt

On March 16, 2015, we repaid The Pantry's senior secured term loan for an amount of $250.6 million, comprising the principal amount, accrued interests and related fees. Additionally, on April 15, 2015, we redeemed 35% of The Pantry's senior unsecured notes at 108% of the nominal value and the remaining 65% of the senior unsecured notes were redeemed on April 16, 2015 at 114% of their nominal value for a total amount of $280.0 million plus accrued interests. These premiums include contractual prepayment penalties. The term loan repayment and redemption of the bonds have been made using our existing credit facilities.

The decision to repay The Pantry's senior unsecured notes was made in light of Couche-Tard's financing conditions being significantly more favorable.

Outstanding transactions

On March 17, 2015, we entered into an agreement with A/S Dansk Shell, to acquire their retail business, comprising 315 service stations, their commercial fuel business and their aviation fuel business. The service stations are located in Denmark and comprise 225 full service-stations, 75 unmanned automated fuel stations and 15 truck stops. Of the 315 sites 140 are owned by Shell, 115 are leased from third parties and 60 are dealer-owned. We are already operating a strong network in Denmark and we believe this new acquisition would complement it very well. This transaction is subject to standard regulatory approvals and closing conditions and we expect it will close before the end of fiscal year 2016. We expect to finance this transaction with our available cash and existing credit facilities.

[1] As our previously stated goal 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 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 integrate Pantry's system with ours. An important change in these facts and assumptions could significantly impact our synergies and cost reductions estimate as well as the timing of the implementation of our different initiatives.

Statoil Fuel & Retail

Period results

Our results for the 12 and 52-week periods ended April 26, 2015 include those of Statoil Fuel & Retail for the period beginning February 1st, 2015 and ending April 30, 2015 and for the period beginning May 1st, 2014 and ending April 30, 2015, respectively. Our results for the 12 and 52-week periods ended April 27, 2014 include those of Statoil Fuel & Retail for the period beginning February 1st, 2014 and ending April 30, 2014 and for the period beginning May 1st, 2013 and ending April 30, 2014, respectively. Our results for the 12 and 52-week periods ended April 28, 2013 include those of Statoil Fuel & Retail for the period beginning February 1st, 2013 and ending April 30, 2013 and for the period beginning June 20, 2012 and ending April 30, 2013, respectively. Thus, our results of the 52-week periods ended April 26, 2015 and April 27, 2014 include those of Statoil Fuel & Retail for a period of 365 days while our results of the 52-week period ended April 28, 2013 include those of Statoil Fuel & Retail for a period of 315 days.

Our consolidated balance sheet and store count as of April 26, 2015 include Statoil Fuel & Retail's balance sheet and store count as of April 30, 2015, as adjusted for significant transactions, if any, which occurred between those two dates.

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

Couche-Tard Quarters	Statoil Fuel & Retail Equivalent Accounting Periods	Statoil Fuel & Retail Balance Sheet Date (1)
12-week period ending July 19, 2015 (1st quarter of fiscal 2016)	From May 1st, 2015 to July 19, 2015	June 30, 2015
12-week period ending October 11, 2015 (2nd quarter of fiscal 2016)	From July 20, 2015 to October 11, 2015	September 30, 2015
16-week period ending January 31, 2016 (3rd quarter of fiscal 2016)	From October 12, 2015 to January 31, 2016	January 31, 2016
12-week period ending April 24, 2016 (4th quarter of fiscal 2016)	From February 1, 2016 to April, 30 2016	April 30, 2016

(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.

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.

During fiscal 2015, we recorded synergies and cost savings we estimated at approximately $71.0 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 $160.0 million, before income taxes, which allows us to exceed the lower range of synergies and cost reduction objectives that we had set following the acquisition. 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 around the identification and implementation of available synergies and cost reduction opportunities is not over. Our analysis show that several promising opportunities still exist. Our teams continue to work actively on various projects which, along with the implementation and optimization of new information systems, should allow us to achieve our goal of annual synergies of up to $200.0 million before the end of December 2015[1].

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

Network growth

Completed transactions

On June 23, 2014, we acquired 13 company operated-stores and two non-operating sites in South Carolina, United States from Garvin Oil Company. We own the land and buildings for all sites.

On October 8, 2014, we acquired 55 stores in Illinois and Indiana, United States from Tri Star Marketing Inc. Among these, 54 are company-operated and one is operated by an independent operator. We own the land and buildings for 54 sites and lease the land and own the building for the remaining site. Through this transaction, we also acquired three biodiesel blending facilities.

In addition, during fiscal 2015, we acquired 32 additional company-operated stores through distinct transactions.

Available cash was used for these acquisitions.

Store construction

We completed the construction, relocation or reconstruction of 72 stores during fiscal 2015. As of April 26, 2015, 26 stores were under construction and should open in the upcoming quarters.

Consequently, in fiscal year 2015, we were able to add to or improve our existing network with a total of 104 stores through the construction of new stores, the relocation or reconstruction of existing stores and the acquisition of single stores. This represents a significant increase compared with the previous fiscal year and exceeded our objective of 80 to 100 stores established for fiscal 2015.

Transaction subsequent to fiscal year-end

On June 2, 2015, subsequently to year-end, we acquired from Cinco J, Inc., Tiger Tote Food Stores, Inc., and their affiliates, 21 company-operated stores in the US States of Texas, Mississippi and Louisiana. We own the land and buildings for 18 sites and lease the land and own the buildings for the remaining three sites. As part of this agreement we also acquired 141 dealer fuel supply agreements and five development properties in addition to acquiring customer relations for 124 dealer sites.

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

The following table presents certain information regarding changes in our stores network over the 12-week period ended April 26, 2015 [1]:

	12-week period ended April 26, 2015				
Type of site	**Company-operated [2]**	**CODO [3]**	**DODO [4]**	**Franchised and other affiliated [5]**	**Total**
Number of sites, beginning of period	6,288	573	542	1,144	8,547
Acquisitions	1,515	-	56	-	1,571
Openings / constructions / additions	16	1	3	24	44
Closures / disposals / withdrawals	(36)	(7)	(6)	(35)	(84)
Conversions into Company-operated stores	6	(3)	(2)	(1)	-
Conversions into affiliated stores	(2)	(5)	7	-	-
Number of sites, end of period	7,787	559	600	1,132	10,078
Number of automated service-stations included in the period end figures [6]	904	-	26	-	930

The following table presents certain information regarding changes in our stores network over the 52-week period ended April 26, 2015 [(1)]:

Type of site	Company-operated [(2)]	CODO [(3)]	DODO [(4)]	Franchised and other affiliated [(5)]	Total
	52-week period ended April 26, 2015				
Number of sites, beginning of period	6,236	609	529	1,125	8,499
Acquisitions	1,603	-	57	-	1,660
Openings / constructions / additions	52	1	23	107	183
Closures / disposals / withdrawals	(119)	(21)	(25)	(99)	(264)
Conversions into Company-operated stores	21	(13)	(7)	(1)	-
Conversions into affiliated stores	(6)	(17)	23	-	-
Number of sites, end of period	7,787	559	600	1,132	10,078

(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, about 4,700 stores are operated by independent operators under the Circle K banner in 12 other countries or regions worldwide (China, Guam, Honduras, Hong Kong, Indonesia, Japan, Macau, Malaysia, Mexico, the Philippines, Vietnam and the United Arab Emirates) which brings to more than 14,700 the number of sites in our network.

Credit Rating on our Canadian dollar denominated unsecured notes

In August 2014 and in September 2014, Moody's Corporation and Standard & Poor Rating Services, credit rating agencies, both improved the credit rating on our Canadian dollar denominated unsecured notes, raising it to Baa2 and BBB, respectively, in recognition of our ability to generate strong cash flows and of the efforts we have made to exceed our debt reduction objective following our acquisition of Statoil Fuel & Retail in June 2012.

Disposal of the aviation fuel business

On December 31, 2014, we closed the sale of our aviation fuel business through a share purchase agreement pursuant to which BP Global Investments Ltd. acquired 100% of all issued and outstanding shares of Statoil Fuel & Retail Aviation AS for total proceeds of $107.4 million including an amount of $91.4 million for intercompany debt assumed by the buyer and of which $12.3 million is receivable as at April 26, 2015. We recognized a preliminary loss on disposal of $11.0 million as well as a preliminary curtailment gain on defined benefits pension plans obligation of $2.6 million in relation to this sale transaction. The disposal also resulted in a $1.9 million cumulated loss on translation adjustments being reclassified to earnings and included in the loss on disposal. These preliminary figures are subject to change until final closing adjustments. The total impact of this transaction on net earnings of fiscal 2015 was a net loss of approximately $6.8 million (net of income taxes of $1.6 million).

Restructuring and integration costs

As part of our cost reduction initiatives and the search for synergies aimed at improving our efficiency, we made the decision to proceed with the restructuring of certain activities of our European operations. As such, an additional restructuring provision of $8.3 million was recorded during fiscal 2015 in line with our plans and the budget process.

Additionally, in connection with the acquisition of The Pantry, we incurred integration costs for an amount of $22.0 million. Those costs are mainly related to severance and termination payments and provisions and the remaining is related to bonus and retention payments.

Hedge of the net investment in foreign operations

As of October 13, 2014, we designated our entire US dollar denominated long-term debt as a foreign exchange hedge of our net investment in our US operations. Accordingly, since the designation, the gains or losses arising from the translation of the US dollar denominated debt are recognized in Other comprehensive income, counterbalancing gains and losses arising from translation of our net investment in our US operations. Should a portion of the hedging relationship become ineffective, the ineffective portion would be recorded in the consolidated statement of earnings under Financial expenses. During fiscal 2015, an exchange loss of $15.4 million before income taxes was recorded to Other comprehensive income in line with this hedge.

Dividends

During its July 14, 2015 meeting, the Corporation's Board of Directors declared a quarterly dividend of CA5.5¢ per share for the fourth quarter of fiscal 2015 to shareholders on record as at July 23, 2015 and approved its payment for August 6, 2015. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

During fiscal 2015, the Board declared total dividends of CA19.0¢ per share.

Issuance of Canadian dollar denominated senior unsecured notes

On June 2, 2015, subsequent to the end of fiscal 2015, we proceeded with the issuance of Canadian dollar denominated senior unsecured notes totaling CA$700.0 million with a coupon rate of 3.6% and maturing on June 2, 2025. Interest is payable semi-annually on June 2nd and December 2nd of each year. The net proceeds from the issuance were mainly used to repay a portion of our term revolving unsecured operating credit facility.

Cross-currency interest rate swaps

Between June 12, 2015 and June 19, 2015, following the issuance of notes detailed above, we entered into cross-currency interest rate swap agreements for a total notional amount of CA$700.0 million, allowing us to synthetically convert a portion of our Canadian dollar denominated debt into US dollars.

Receive – Notional	Receive – Rate	Pay – Notional	Pay – Rate	Maturity
CA$175.0	3.6%	US$142.2	3.8099%	June 2, 2025
CA$175.0	3.6%	US$142.7	3.8650%	June 2, 2025
CA$100.0	3.6%	US$81.2	3.8540%	June 2, 2025
CA$100.0	3.6%	US$81.2	3.8700%	June 2, 2025
CA$100.0	3.6%	US$81.2	3.8570%	June 2, 2025
CA$50.0	3.6%	US$41.3	3.8230%	June 2, 2025

Outstanding shares and stock options

As at July 10, 2015, Couche-Tard had 148,101,840 Class A multiple voting shares and 419,265,459 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 2,514,271 outstanding stock options for the purchase of Class B subordinate voting shares.

Statement of Earnings Categories

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

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

Other Income. Other income includes the sale of stationary energy, marine fuel, aviation fuel (until December 31, 2014), lubricants and chemical products. Other income also includes rent revenue from operating leases for certain land and buildings we own as well as car rental revenues.

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

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

Key performance indicators used by management, which can be found under "Analysis of consolidated results for the fiscal year ended April 26, 2015 - Other Operating Data", are merchandise and service gross margin, growth of same-store merchandise revenues, road transportation fuel gross margin and growth of same-store road transportation fuel volume, return on equity and return on capital employed.

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

The following table highlights certain information regarding our operations for the 12-week periods ended April 26, 2015 and April 27, 2014. This data includes results from The Pantry, starting from March 16, 2015, the acquisition date.

(In millions of US dollars, unless otherwise stated)	**12-week period ended April 26, 2015**	12-week period ended April 27, 2014	Change %
Revenues	**7,285.5**	8,954.1	(18.6)
Operating income	**186.2**	154.3	20.6
Net earnings	**129.5**	145.1	(10.8)
Selected Operating Data:			
Merchandise and service gross margin [(1)]:			
Consolidated	**34.1%**	34.3%	(0.2)
United States	**33.4%**	33.1%	0.3
Europe	**42.1%**	42.3%	(0.2)
Canada	**32.5%**	32.4%	0.1
Growth of same-store merchandise revenues [(2) (3)]:			
United States	**5.2%**	4.4%	
Europe	**3.0%**	2.5%	
Canada	**3.8%**	1.6%	
Road transportation fuel gross margin:			
United States (cents per gallon) [(3)]	**15.46**	14.85	4.1
Europe (cents per litre) [(4)]	**8.55**	10.54	(18.9)
Canada (CA cents per litre) [(3)]	**6.18**	5.86	5.5
Growth of same-store road transportation fuel volume [(3)]:			
United States	**6.4%**	2.8%	
Europe	**3.7%**	3.2%	
Canada	**1.5%**	1.7%	

(1) Includes other revenues derived from franchise fees, royalties and rebates on some purchases made by franchisees and licensees as well as merchandise wholesale.
(2) Does not include services and other revenues (as described in footnote 1 above). Growth in Canada and Europe is calculated based on local currencies. Includes results for The Pantry stores since the acquisition date.
(3) For company-operated stores only. Includes results for The Pantry stores since the acquisition date.
(4) Total road transportation fuel.

Revenues

Our revenues were $7.3 billion in the fourth quarter of fiscal 2015, down $1.7 billion, a decrease of 18.6%, mainly attributable to lower road transportation fuel average selling prices, to the negative net impact from the translation of revenues of our

Canadian and European operations into US dollars and to the sale of our aviation fuel business. Those items contributing to the reduction in total revenues were partly offset by 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.

More specifically, the growth of merchandise and service revenues for the fourth quarter of fiscal 2015 was $222.3 million. Excluding the negative net impact from the translation of our European and Canadian operations into US dollars, which was approximately $105.0 million, consolidated merchandise and service sales increased by $327.3 million or 18.2%. This increase is attributable to the contribution from acquisitions which amounted to approximately $245.0 million as well as to strong organic growth. Same-store merchandise revenues increased by 5.2% in the United States, by 3.8% in Canada and by 3.0% in Europe. Our performance is attributable to our dynamic merchandising strategies, our competitive offer as well as to our expanded fresh food offer which is attracting more customers in our stores.

Road transportation fuel revenues decreased by $1.4 billion in the fourth quarter of fiscal 2015. Excluding the negative net impact from the translation of revenues from our Canadian and European operations into US dollars, which amounted to approximately $476.0 million, road transportation fuel revenues decreased by $914.4 million or 14.2%. This decrease was mainly attributable to lower road transportation fuel average selling prices, which had a negative impact of approximately $1.7 billion as well as to the impact on our European wholesale business of the non-renewal of low return fuel supply contracts. These items contributing to the reduction in road transportation fuel revenues were partly offset by the contribution from acquisitions amounting to approximately $563.0 million, by the contribution from our recently opened stores as well as by organic growth. Same-store road transportation fuel volume increased by 6.4% in the United States, by 3.7% in Europe and by 1.5% in Canada due to amongst other things, the perfecting of our pricing strategies as well as the contribution of "*miles*™" in Europe.

The following table shows the average selling price of road transportation fuel in our markets, starting with the first quarter of the fiscal year ended April 27, 2014. Average prices for Europe are also impacted by the translation into US dollars.

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 26, 2015					
United States (US dollars per gallon)	3.59	3.36	2.54	2.34	**2.89**
Europe (US cents per litre)	101.53	95.18	73.99	66.51	**83.53**
Canada (CA cents per litre)	121.64	117.00	96.27	93.63	**106.59**
52-week period ended April 27, 2014					
United States (US dollars per gallon)	3.51	3.45	3.24	3.47	**3.41**
Europe (US cents per litre)	100.72	103.25	107.49	104.11	**104.38**
Canada (CA cents per litre)	114.53	117.05	113.11	118.74	**115.63**

Other revenues decreased by $500.5 million in the fourth quarter of fiscal 2015. This decrease is mainly attributable to the disposal of our aviation fuel business, to the negative net impact from the translation of revenues of our European operations into US dollars, as well as to the decrease in marine fuel and heating oil revenues due to lower selling prices and volume.

Gross profit

In the fourth quarter of fiscal 2015, the consolidated merchandise and service gross margin was $688.6 million, an increase of $73.9 million compared with the corresponding quarter of fiscal 2014. Excluding the negative net impact from the translation of our European and Canadian operations into US dollars, which was approximately $40.0 million, consolidated merchandise and service gross margin increased by $113.9 million or 18.5%, attributable to the contribution from acquisitions which amounted to approximately $84.0 million as well as to organic growth. In the United States, the gross margin was up 0.3% from 33.1% to 33.4% and up 0.1% in Canada from 32.4% to 32.5% while it decreased by 0.2% in Europe to 42.1%. Overall, this performance reflects changes in the product-mix, the improvements we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market.

In the fourth quarter of fiscal 2015, the road transportation fuel gross margin for our company-operated stores in the United States increased by 0.61 ¢ per gallon, from 14.85 ¢ per gallon last year to 15.46 ¢ per gallon this year. In Canada, the gross margin increased to CA6.18¢ per litre compared with CA5.86 ¢ per litre for the fourth quarter of fiscal 2014. In Europe, the total road transportation fuel gross margin was 8.55 ¢ per litre for the fourth quarter of fiscal 2015, a decrease of 1.99 ¢ per litre compared with 10.54 ¢ per litre for the fourth quarter of fiscal 2014. This decrease is entirely attributable to the impact of the translation of our European results into US dollars. In local currencies, the margin in Europe was higher than that of the fourth quarter of fiscal 2014. The road transportation fuel gross margin of our company-operated stores in the United States as well as the impact of expenses related to electronic payment modes for the last eight quarters, starting with the first quarter of fiscal year ended April 27, 2014, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 26, 2015					
Before deduction of expenses related to electronic payment modes	23.08	24.17	24.93	15.46	**21.74**
Expenses related to electronic payment modes	5.27	5.03	4.33	4.12	**4.63**
After deduction of expenses related to electronic payment modes	17.81	19.14	20.60	11.34	**17.11**
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**

As demonstrated by the table above, road transportation fuel margin in the United States are volatile from a quarter to another. Expenses related to electronic payment modes and associated volatility are not as significant in Europe and in Canada.

Operating, selling, administrative and general expenses

For the fourth quarter of fiscal 2015, operating, selling, administrative and general expenses increased by 1.6% compared with the fourth quarter of fiscal 2014 and increased by 2.2% if we exclude certain items, as demonstrated by the following table:

	12-week period ended April 26, 2015
Total variance as reported	**1.6%**
Subtract:	
Increase from incremental expenses related to acquisitions	11.0%
Decrease from the net impact of foreign exchange translation	(10.2%)
Decrease from divestment of the aviation fuel business	(2.4%)
Increase from revision of estimates and other non-recurring expenses	1.9%
Decrease from lower electronic payment fees, excluding acquisitions	(1.0%)
Acquisition costs recognized to earnings of fiscal 2015	0.1%
Remaining variance	**2.2%**

The remaining variance for the fourth quarter of fiscal 2015 is mainly due to normal inflation, as well as to higher expenses needed to support our strong organic growth. We continue to favor tight control of costs throughout the organization while making sure to maintain the quality of service we offer to our customers.

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

During the fourth quarter of fiscal 2015, EBITDA increased by 6.3% compared with the corresponding period of the previous fiscal year, reaching $319.2 million.

Excluding the restructuring and integration costs, the loss on disposal of the aviation fuel business as well as the negative goodwill from both comparable periods, the fourth quarter of fiscal 2015 adjusted EBITDA increased by $41.9 million or 14.0% compared with the corresponding period of the previous fiscal year, totalling $341.9 million. Net of acquisition, restructuring and integration costs recorded to earnings, acquisitions contributed approximately $27.0 million to adjusted EBITDA, while the variation in exchange rates had a negative net impact of approximately $28.0 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:

	12-week period ended	
(in millions of US dollars)	**April 26, 2015**	April 27, 2014
Net earnings, as reported	**129.5**	145.1
Add:		
Income taxes	**45.5**	(13.8)
Net financial expenses	**15.6**	26.9
Depreciation, amortization and impairment of property and equipment and other assets	**128.6**	142.0
EBITDA	**319.2**	300.2
Remove:		
Restructuring and integration costs	**22.2**	-
Loss on disposal of the aviation fuel business	**0.6**	-
Negative goodwill	**(0.1)**	(0.2)
Adjusted EBITDA	**341.9**	300.0

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

For the fourth quarter of fiscal 2015, depreciation, amortization and impairment expense decreased by $13.4 million mainly due to the net impact from the translation of our European and Canadian operations into US dollars, partially offset by the impact of 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 2015 shows net financial expenses of $15.6 million, a decrease of $11.3 million compared with the fourth quarter of fiscal 2014. Excluding the net foreign exchange gain of $3.5 million and the net foreign exchange loss of $8.7 million recorded respectively in the fourth quarter of fiscal 2015 and in the fourth quarter of fiscal 2014, the net financial expenses increased by $0.9 million. This increase is mainly attributable to the increase of our long term debt following the acquisition of The Pantry , including the interest expense on The Pantry's debt we assumed until its repayment as well as fees related to the reimbursement of The Pantry's senior secured term loan. The net foreign exchange gain of $3.5 million is mainly due to the impact of the exchange rate fluctuations on certain bank balances denominated in US dollars in our European divisions.

Income taxes

The fourth quarter of fiscal 2015 shows an income tax expense of $45.5 million, corresponding to a tax rate of 26.0%, compared with an income tax recovery of $13.8 million for the corresponding quarter of the previous year and a tax rate of 29.3% for the third quarter of fiscal 2015. 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.

Excluding those items, the income tax rate for the fourth quarter of fiscal 2014 would have been 11.0%. The remaining increase is attributable to the higher proportion of our taxable income recorded in the United States, where the tax rates are higher and to the reimbursement of a large portion of our external debt before the acquisition of The Pantry.

Net earnings

We closed the fourth quarter of fiscal 2015 with net earnings of $129.5 million, compared with $145.1 million for the fourth quarter of the previous fiscal year. Diluted net earnings per share stood at $0.23, compared with $0.25 for the previous year. The translation of revenues from our Canadian and European operations into the US dollars had a negative net impact of approximately $8.6 million on net earnings of the fourth quarter of fiscal 2015.

Excluding from the fourth quarter of fiscal 2015 earnings restructuring and integration costs of $22.2 million, the net foreign exchange gain of $3.5 million, acquisition costs of $1.2 million, the $0.6 million loss from the disposal of our aviation fuel business as well as the negative goodwill of $0.1 million and excluding from the fourth quarter of fiscal 2014 earnings the non-recurring income tax recovery, the net foreign exchange loss, the negative goodwill as well as acquisition costs, the fourth quarter of fiscal 2015 net earnings would have been approximately $142.0 million, compared with $123.0 million for the fourth quarter of fiscal 2014, an increase of $19.0 million or 15.4%. Adjusted diluted net earnings per share were $0.25 for the fourth quarter of fiscal 2015 compared with $0.22 for the corresponding period of fiscal 2014, an increase of 13.6%.

Summary analysis of consolidated results for fiscal 2015

The following table highlights certain information regarding our operations for the 52-week periods ended April 26, 2015, April 27, 2014 and April 28, 2013. The figures for the 52-week period ended April 28, 2013 include those of Statoil Fuel & Retail for the period beginning June 20, 2012 and ending April 28, 2013. This data includes results from The Pantry, starting from March 16, 2015, the acquisition date.

	52-weeks		
(In millions of US dollars, unless otherwise stated)	**2015**	2014	2013
Statement of Operations Data:			
Merchandise and service revenues [(1)]:			
United States	**5,311.0**	4,821.7	4,551.8
Europe	**990.4**	1,048.4	867.5
Canada	**1,974.4**	2,082.7	2,182.9
Total merchandise and service revenues	**8,275.8**	7,952.8	7,602.2
Road transportation fuel revenues:			
United States	**14,599.0**	15,493.3	14,872.6
Europe	**7,111.0**	8,824.9	7,537.9
Canada	**2,571.9**	2,890.6	2,860.8
Total road transportation fuel revenues	**24,281.9**	27,208.8	25,271.3
Other revenues [(2)]:			
United States	**16.0**	14.7	6.6
Europe	**1,955.7**	2,784.7	2,668.6
Canada	**0.5**	1.1	0.5
Total other revenues	**1,972.2**	2,800.5	2,675.7
Total revenues	**34,529.9**	37,962.1	35,549.2
Merchandise and service gross profit [(1)]:			
United States	**1,748.4**	1,575.8	1,505.9
Europe	**408.2**	434.2	357.1
Canada	**649.2**	689.3	733.0
Total merchandise and service gross profit	**2,805.8**	2,699.3	2,596.0
Road transportation fuel gross profit:			
United States	**1,093.3**	796.1	782.5
Europe	**870.9**	928.8	719.1
Canada	**164.4**	163.5	162.6
Total road transportation fuel gross profit	**2,128.6**	1,888.4	1,664.2
Other revenues gross profit [(2)]:			
United States	**16.0**	14.7	6.6
Europe	**317.1**	384.6	339.8
Canada	**0.5**	1.1	0.5
Total other revenues gross profit	**333.6**	400.4	346.9
Total gross profit	**5,268.0**	4,988.1	4,607.1
Operating, selling, administrative and general expenses	**3,376.9**	3,419.9	3,237.1
Restructuring and integration costs	**30.3**	-	34.0
Loss on disposal of the aviation fuel business	**11.0**	-	-
Curtailment gain on defined benefits pension plans obligation	**(2.6)**	(0.9)	(19.4)
Negative goodwill	**(1.2)**	(48.4)	(4.4)
Depreciation, amortization and impairment of property and equipment and other assets	**530.4**	583.2	521.1
Operating income	**1,323.2**	1,034.3	838.7
Net earnings	**933.5**	812.2	572.8
Other Operating Data:			
Merchandise and service gross margin [(1)]:			
Consolidated	**33.9%**	33.9%	34.1%
United States	**32.9%**	32.7%	33.1%
Europe	**41.2%**	41.4%	41.2%
Canada	**32.9%**	33.1%	33.6%
Growth of same-store merchandise revenues [(3)] [(4)]:			
United States	**3.9%**	3.8%	1.0%
Europe	**2.0%**	1.6%	-
Canada	**3.4%**	1.9%	2.0%
Road transportation fuel gross margin :			
United States (cents per gallon) [(4)]	**21.74**	18.11	18.77
Europe (cents per litre) [(5)]	**10.33**	10.94	9.88
Canada (CA cents per litre) [(4)]	**6.35**	5.98	5.84
Volume of road transportation fuel sold [(5)]:			
United States (millions of gallons)	**5,118.9**	4,611.5	4,276.2
Europe (millions of litres)	**8,428.5**	8,488.4	7,281.1
Canada (millions of litres)	**2,987.6**	2,920.9	2,819.9
Growth of (decrease in) same-store road transportation fuel volume [(4)]:			
United States	**3.4%**	1.7%	0.6%
Europe	**2.4%**	2.5%	-
Canada	**(0.1%)**	1.3%	0.0%
Per Share Data:			
Basic net earnings per share (dollars per share)	**1.65**	1.44	1.03
Diluted net earnings per share (dollars per share)	**1.64**	1.43	1.02

	April 26, 2015	April 27, 2014	April 28, 2013
Balance Sheet Data:			
Total assets	**10,837.8**	10,545.0	10,546.2
Interest-bearing debt	**3,074.6**	2,606.4	3,605.1
Shareholders' equity	**3,892.6**	3,962.4	3,216.7
Indebtedness Ratios:			
Net interest-bearing debt/total capitalization (6)	**0.39 : 1**	0.35 : 1	0.48 : 1
Net interest-bearing debt/Adjusted EBITDA (7)	**1.18 : 1**(9)	1.32 : 1	1.99 : 1 (8)
Adjusted net interest-bearing debt/Adjusted EBITDAR (10)	**2.17 : 1**(9)	2.44 : 1	3.06 : 1 (8)
Returns:			
Return on equity (11)	**24.9%**(9)	22.6%	21.5% (8)
Return on capital employed (12)	**16.2%**(9)	13.3%	11.0% (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, chemicals and Liquefied Petroleum Gas ("LPG")'s operations. LPG operations were sold in December 2012. Aviation operations were sold in December 2014.
(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. Includes results from The Pantry stores since the acquisition date.
(4) For company-operated stores only. Includes results from The Pantry stores since the acquisition date.
(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 on a pro forma basis. It includes Couche-Tard's results for fiscal year ended April 26, 2015 as well as The Pantry's results for the 52-week period ended April 26, 2015. The Pantry's earnings and balance sheet figures have been adjusted to make their presentation in line with Couche-Tard's policies. Given the size and the timing of the transaction, we have not completed the fair value assessment of the assets acquired, the liabilities assumed and the goodwill for this transaction. Consequently, the pro forma ratio has not been adjusted for fair value adjustments.
(10) 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.
(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: 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.
(12) 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 $34.5 billion in fiscal 2015, down $3.4 billion, a decrease of 9.0%, mainly attributable to lower road transportation fuel average retail prices, to the negative net impact from the translation of revenues of our Canadian and European operations into US dollars and to the sale of our aviation fuel business. Those items contributing to the reduction in total revenues were partly offset by the continued growth in same-store merchandise revenues and road transportation fuel volume in both North America and Europe as well as by the contribution from acquisitions.

More specifically, the growth of merchandise and service revenues for fiscal 2015 was $323.0 million. Excluding the negative net impact from the translation of our European and Canadian operations into US dollars, which was approximately $253.0 million, consolidated merchandise and service sales increased by $576.0 million or 7.2%. This increase is attributable to the contribution from acquisitions which amounted to approximately $304.0 million as well as to organic growth. Same-store merchandise revenues increased by 3.9% in the United States, by 3.4% in Canada and by 2.0% in Europe. Those increases in same-store merchandise sales are attributable to our dynamic merchandising strategies, our competitive offer as well as to our expanded fresh food offer which is attracting more customers into our stores.

Road transportation fuel revenues decreased by $2.9 billion in fiscal 2015. Excluding the negative net impact from the translation of revenues from our Canadian and European operations into US dollars which amounted to approximately $971.0 million, road transportation fuel revenues decreased by $2.0 billion or 7.2%. This decrease was mainly attributable to the lower average selling price of road transportation fuel which generated a decrease in revenues of approximately $3.4 billion, partially offset by acquisitions which contributed to an increase in revenues of approximately $854.0 million as well as by organic growth. Same-store road transportation fuel volume increased by 3.4% in the United States, by 2.4% in Europe, while it decreased by 0.1% in Canada due to amongst other things, the perfecting of our pricing strategies as well as the contribution of "*miles*TM" in Europe.

The following table shows the average selling price of road transportation fuel in our markets, starting with the first quarter of the fiscal year ended April 27, 2014. Average prices for Europe are also impacted by the translation into US dollars.

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 26, 2015					
United States (US dollars per gallon)	3.59	3.36	2.54	2.34	**2.89**
Europe (US cents per litre)	101.53	95.18	73.99	66.51	**83.53**
Canada (CA cents per litre)	121.64	117.00	96.27	93.63	**106.59**
52-week period ended April 27, 2014					
United States (US dollars per gallon)	3.51	3.45	3.24	3.47	**3.41**
Europe (US cents per litre)	100.72	103.25	107.49	104.11	**104.38**
Canada (CA cents per litre)	114.53	117.05	113.11	118.74	**115.63**

Other revenues decreased by $828.3 million in fiscal 2015, mostly attributable to the disposal of the aviation fuel business, the negative net impact from the translation of revenues of our European operations into US dollars and to the decrease in marine fuel and heating oil revenues due to lower selling prices and volumes.

Gross profit

In fiscal 2015, the consolidated merchandise and service gross margin was $2.8 billion, an increase of $106.5 million compared with fiscal 2014. Excluding the negative net impact from the translation of our European and Canadian operations into US dollars, which was approximately $94.0 million, consolidated merchandise and service gross margin increased by $201.0 million or 7.4%. This increase is attributable to the contribution from acquisitions which amounted to approximately $103.0 million and to organic growth. In the United States, the gross margin was up 0.2% to 32.9% while it decreased by 0.2% in both Canada and Europe to reach 32.9% and 41.2% respectively. Overall, this performance reflects changes in the product-mix, the improvements we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market.

The road transportation fuel gross margin for our company-operated stores in the United States increased by 3.63 ¢ per gallon, from 18.11 ¢ per gallon during fiscal 2014 to 21.74 ¢ per gallon in fiscal 2015. In Canada, the gross margin increased to CA6.35 ¢ per litre for fiscal 2015 compared with CA5.98 ¢ per litre for fiscal 2014. In Europe, the total road transportation fuel gross margin was 10.33 ¢ per litre for fiscal 2015, a decrease of 0.61 ¢ per litre compared with 10.94 ¢ per litre for fiscal 2014. This decrease is entirely attributable to the impact of the translation of our European results into US dollars. In local currencies, the margin in Europe was higher than that of fiscal 2014. The road transportation fuel gross margin of our company-operated stores in the United States as well as the impact of expenses related to electronic payment modes for the last eight quarters, starting with the first quarter of fiscal year ended April 27, 2014, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 26, 2015					
Before deduction of expenses related to electronic payment modes	23.08	24.17	24.93	15.46	**21.74**
Expenses related to electronic payment modes	5.27	5.03	4.33	4.12	**4.63**
After deduction of expenses related to electronic payment modes	17.81	19.14	20.60	11.34	**17.11**
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**

As demonstrated by the table above, road transportation fuel margins in the United States are volatile from one quarter to another. Expenses related to electronic payment modes and associated volatility are not as significant in Europe and in Canada.

Operating, selling, administrative and general expenses

For fiscal 2015, operating, selling, administrative and general expenses decreased by 1.3% compared with fiscal 2014, but increased by 0.8% if we exclude certain items, as demonstrated by the following table:

Total variance as reported	**(1.3%)**
Subtract:	
Decrease from the net impact of foreign exchange translation	(5.2%)
Increase from incremental expenses related to acquisitions	3.3%
Decrease from divesture of the aviation fuel business	(0.7%)
Increase from revision of estimates for provisions and other non-recurring expenses	0.6%
Decrease from lower electronic payment fees, excluding acquisitions	(0.2%)
Acquisition costs recognized to earnings of fiscal 2015	0.1%
Remaining variance	**0.8%**

We continue to favor tight control of costs throughout the organization while being sure to maintain the quality of service we offer to our customers.

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

During fiscal 2015, EBITDA increased by 14.3% compared with the previous fiscal year, reaching $1,875.5 million.

Excluding restructuring and integration costs, the loss on disposal of the aviation fuel business, the curtailment gain on pension plan obligations and the negative goodwill from both comparable periods, fiscal 2015 adjusted EBITDA increased by $322.1 million or 20.2% compared with the corresponding period of the previous fiscal year, reaching $1,913.0 million. Net of acquisition, restructuring and integration costs recorded to earnings, acquisitions contributed approximately $43.0 million to adjusted EBITDA, while the variation in exchange rates had a negative net impact of approximately $68.0 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:

	52-weeks periods ended	
(in millions of US dollars)	**April 26, 2015**	April 27, 2014
Net earnings, as reported	**933.5**	812.2
Add:		
Income taxes	**306.2**	134.2
Net financial expenses	**105.4**	110.6
Depreciation, amortization and impairment of property and equipment and other assets	**530.4**	583.2
EBITDA	**1,875.5**	1,640.2
Remove:		
Restructuring and integration costs	**30.3**	-
Loss on disposal of the aviation fuel business	**11.0**	-
Curtailment gain on pension plan obligation	**(2.6)**	(0.9)
Negative goodwill	**(1.2)**	(48.4)
Adjusted EBITDA	**1,913.0**	1,590.9

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

For fiscal 2015, depreciation, amortization and impairment expense decreased by $52.8 million. Excluding the impairment charge of $6.8 million on a non-operational lubricant production plant recorded in fiscal 2014, depreciation, amortization and impairment expense decreased by $46.0 million. This decrease is mainly attributable to the net impact from the translation of our European and Canadian operations into US dollars, partially offset by the impact of investments made through acquisitions, replacement of equipment, addition of new stores and ongoing improvement of our network.

Net financial expenses

For fiscal 2015, we recorded net financial expenses of $105.4 million compared with $110.6 million for fiscal 2014. Excluding the net foreign exchange loss of $22.7 million and the net foreign loss of $10.1 million recorded respectively in fiscal 2015 and in fiscal 2014, fiscal 2015 posted net financial expenses of $82.7 million, down $17.8 million compared with fiscal 2014. This decrease is mainly attributable to the reduction of our long-term debt following repayments made on our revolving and acquisition facilities in the first half of fiscal 2015. The net foreign exchange loss of $22.7 million is mainly due to the impact of the exchange rate fluctuations on certain inter-company balances and loans.

Income taxes

For fiscal 2015, the income tax rate is 24.7% compared with a rate of 14.2% for the previous fiscal year. Fiscal 2015 was affected by an internal reorganization which increased the income tax expense by $41.8 million. Had this reorganization not been implemented, the income tax rate would have been approximately 21.3%. 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. Excluding those non-recurring items, the income tax rate for fiscal 2014 would have been 15.5%.The remaining increase is attributable to the higher proportion of our results coming from the United States, where the tax rates are higher and to the reimbursement of a portion of our debt before the acquisition of The Pantry .

Net earnings

We closed fiscal 2015 with net earnings of $933.5 million, compared with $812.2 million for the previous fiscal year, an increase of $121.3 million. Diluted net earnings per share stood at $1.64 compared with $1.43 the previous year. The translation of earnings from our Canadian and European operations into the US dollars had a negative net impact of approximately $28.0 million on net earnings of fiscal 2015.

Excluding from net earnings of fiscal 2015 the loss on disposal of our aviation fuel business, restructuring and integration costs, the non-recurring tax expense of $41.8 million, the curtailment gain, the negative goodwill, the net foreign exchange loss as well as acquisition costs and excluding from net earnings of fiscal 2014 the negative goodwill, the net foreign exchange loss, the non-recurring income tax recovery, the impairment charge on a non-operational lubricant plant in Poland, the curtailment gain as well as acquisition costs, fiscal 2015 net earnings would have stood at approximately $1,022.0 million, up $256.0 million or 33.4% compared to fiscal 2014, while fiscal 2015 diluted earnings per share would have stood at approximately $1.80, an increase of 33.3%.

Financial Position as at April 26, 2015

As shown by our indebtedness ratios included in the “Summary analysis of consolidated results for fiscal 2015” section and our net cash provided by operating activities, our financial position is excellent.

Our total consolidated assets amounted to $10.8 billion as at April 26, 2015, an increase of $292.8 million over the balance as at April 27, 2014. This increase stems primarily from the overall rise in assets resulting from the acquisitions we made during fiscal 2015 partly offset by the negative net impact of the appreciation of the US dollar compared to the functional currencies of our operations in Canada and Europe at the balance sheet date as well as by the sale of our aviation fuel business.

During the 52-week period ended on April 26, 2015, we recorded a return on capital employed of 16.2%[1], taking into consideration the recent acquisition of The Pantry.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable decreased by $531.6 million, from $1.7 billion as at April 27, 2014 to $1.2 billion as at April 26, 2015. The decrease mainly stems from the net negative impact of exchange rates variation at the balance sheet date, which was approximately $294.0 million, lower road transportation fuel selling prices, as well as from the disposal of the aviation fuel business. The decrease was partly offset by the increase resulting from acquisitions.

Goodwill

Goodwill increased by $728.6 million, from $1.1 billion as at April 27, 2014 to $1.8 billion as at April 26, 2015, mainly as a result of the acquisition of The Pantry . As the acquisition was closed shortly before the end of fiscal 2015 and given the size of the transaction, we have not completed our fair value assessment of the assets acquired, the liabilities assumed and the goodwill for this transaction. Consequently, the balance sheet for The Pantry includes the net book values from The Pantry's accounting records at that date as adjusted to be in line with the Corporation's accounting policies. The difference between the purchase price and the net book value related to this acquisition was included in goodwill in the preliminary purchase price allocation and the fair values of assets acquired and liabilities assumed will be adjusted during fiscal 2016. The increase in goodwill related to The Pantry acquisition was partly offset by the negative net impact of the exchange rates variation at the balance sheet date, which was approximately $145.0 million.

Long-term debt, bank loans and current portion of long-term debt

Long-term debt and bank loans increased by $468.2 million, from $2.6 billion as at April 27, 2014 to $3.1 billion as at April 26, 2015. Long term debt increased by approximately $1.5 billion as a result of the acquisition of The Pantry on March 16, 2015 which was financed entirely through debt, including assumed finance lease obligations. This increase was partly offset by the impact of the weakening of the Canadian dollar against the United States dollar, which was approximately $126.0 million and by the debt repayments of approximately $900.0 million we made using available cash during fiscal 2015.

Shareholders' Equity

Shareholders' equity amounted to $3.9 billion as at April 26, 2015, down $70.1 million compared with April 27, 2014, mainly due to other comprehensive loss associated with translation adjustments and to dividends declared, partly offset by net earnings of fiscal 2015. For the 52-week period ended April 26, 2015, we recorded a return on equity of 24.9%[2] taking into consideration the recent acquisition of The Pantry.

Liquidity and Capital Resources

Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our term revolving unsecured credit facilities. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, pay dividends, as well as to 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.

Our revolving credit facilities are detailed as follows:

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1 This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. The ratio is presented on a pro forma basis and it includes Couche-Tard's results for the four quarters of fiscal year ending April 26, 2015 and The Pantry's results for the 52-week period ended April 26, 2015, as adjusted to be in line with the Corporation's accounting policies.

2 This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. The ratio is presented on a pro forma basis and it includes Couche-Tard's results for the four quarters of fiscal year ending April 26, 2015 and The Pantry's results for the 52-week period ended April 26, 2015, as adjusted to be in line with the Corporation's accounting policies.

US dollar term revolving unsecured operating credit D, maturing in December 2018 (“operating credit D”)

On May 16, 2014, we amended operating credit D to increase the maximum amount available from $1,275.0 million to $1,525.0 million, an increase of $250.0 million over the limit as of April 27, 2014. On March 16, 2015, we amended this credit facility once again in order to increase the maximum amount available from $1,525.0 million to $2,525.0 million, to extend its maturity from December 2017 to December 2018 and to include an accordion feature allowing the Corporation to have access to an additional $350.0 million, if required. No upfront fees were incurred in connection with those amendments. No other terms were changed significantly.

As at April 26, 2015, $1,837.2 million of our revolving unsecured operating credit D had been used. As at the same date, the effective interest rate was 1.04% and standby letters of credit in the amount of CA$2.3 million and $54.4 million were outstanding.

During the month of June 2015, subsequent to the end of the fiscal year, we repaid an amount of $561.0 million on our term revolving unsecured operating credit D using the net proceeds of our Canadian dollar denominated senior unsecured notes issuance.

Term revolving unsecured operating credit E, maturing in December 2016 (“operating credit E”)

Credit agreement consisting of a revolving unsecured facility of an initial maximum amount of $50.0 million with an initial term of 50 months. Operating credit E 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 26, 2015, operating credit E was unused.

Available liquidities

As at April 26, 2015, a total of approximately $283.0 million was available under our operating credits 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 $859.0 million through our available cash and revolving unsecured operating credit agreements.

As at July 10, 2015, following the partial repayment made on our operating credit D, a total of approximately $1.3 billion was available under our operating credits. Thus, at the same date, we had access to more than $1.8 billion through our available cash and operating credits.

Selected Consolidated Cash Flow Information

	52-week periods ended		
(In millions of US dollars)	**April 26, 2015**	April 27, 2014	Variation
Operating activities			
Net cash provided by operating activities	**1,714.5**	1,429.3	285.2
Investing activities			
Business acquisitions	**(929.4)**	(159.6)	(769.8)
Purchase of property and equipment and other assets, net of proceeds from the disposal of property and equipment and other assets	**(562.9)**	(459.0)	(103.9)
Proceeds from sale of the aviation fuel business	**94.6**	-	94.6
Restricted cash	**(1.1)**	20.6	(21.7)
Net cash used in investing activities	**(1,398.8)**	(598.0)	(800.8)
Financing activities			
Net increase in other debt	**1,043.7**	448.0	595.7
Repayment of the acquisition credit facility	**(555.0)**	(1,648.0)	1,093.0
Repayment of debt assumed on business acquisition	**(529.1)**	-	(529.1)
Issuance of Canadian dollar denominated senior unsecured notes, net of financing costs	**-**	285.6	(285.6)
Net decrease in other debt	**(18.0)**	(16.7)	(1.3)
Cash dividends paid	**(86.9)**	(64.6)	(22.3)
Issuance of shares upon exercise of stock-options	**3.8**	9.4	(5.6)
Net cash used in financing activities	**(141.5)**	(986.3)	844.8
Credit rating			
Standard and Poor’s	**BBB**	BBB-	
Moody’s (1)	**Baa2**	Baa3	

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

Operating activities

During fiscal 2015, net cash from our operations reached $1,714.5 million, up $285.2 million compared with fiscal year 2014, mainly due to higher net earnings.

Investing activities

During fiscal 2015, investing activities were primarily for acquisitions for an amount of $929.4 million as well as for net investment in property and equipment and other assets which amounted to $562.9 million. These items were partly offset by the proceeds from the sale of the aviation fuel business, which amounted to $94.6 million.

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

Financing activities

During fiscal 2015, we repaid the outstanding balance of $555.0 million on our acquisition facility related to the acquisition of Statoil Fuel and Retail, of which $360.0 million was drawn from our operating credit D and $195.0 million was made using available cash. During the same period, an amount of $1.4 billion was drawn from our operating credit D for the acquisition of The Pantry and the repayment of its long term debt. This increase was offset by repayments totalling approximately $900.0 million on our operating credit D using available cash, for a net increase of approximately $1.0 billion. During fiscal 2015, we also paid $86.9 million in dividends.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual obligations as at April 26, 2015 (1):

	2016	2017	2018	2019	2020	Thereafter	Total
	(in millions of US dollars)						
Long-term debt (2)	0.5	2.4	300.5	2,238.1	450.3	550.1	**3,541.9**
Finance lease obligations	38.6	50.8	29.7	26.9	24.9	148.4	**319.3**
Operating lease obligations	384.0	359.5	332.7	299.0	264.6	1,122.9	**2,762.7**
Total	423.1	412.7	662.9	2,564.0	739.8	1,821.4	**6,623.9**

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

Long-Term Debt. As at April 26, 2015, our long-term totalled $3,074.6 million, the details of which are as follow:

i. Canadian dollar denominated senior unsecured notes totalling $1,064.2 million, divided into four tranches:
   a. Tranche 1 with a notional amount of CA$300.0 million, maturing on November 1st, 2017, bearing interest at 2.861%
   b. Tranche 2 with a notional amount of CA$450.0 million, maturing on November 1st, 2019 bearing interest at 3.319%
   c. Tranche 3 with a notional amount of CA$250.0 million, maturing on November 1st, 2022 bearing interest at 3.899%.
   d. Tranche 4 with a notional amount of CA$300.0 million, maturing on August 21st, 2020 bearing interest at 4.214%.

ii. US dollar denominated borrowings of $1,837.2 million under our revolving unsecured operating credits denominated in US dollars, maturing in December 2018. The effective interest rate was 1.04% as at April 26, 2015.

iii. Other long-term debts of $173.2 million, including obligations related to building and equipment under finance leases.

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

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

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

Guarantees. We assigned a number of lease agreements for premises to third parties. Under some of these agreements, we retain ultimate responsibility to the landlord for payment of amounts under the lease agreements should the sub lessees fail to pay. As at April 26, 2015, the total future lease payments under such agreements are approximately $1.8 million and the fair value of the guarantee is not significant. Historically, we have not made any significant payments in connection with these indemnification provisions. In Europe, we have issued guarantees to third parties and on behalf of third parties for maximum undiscounted future payments totalling $13.4 million. These guarantees primarily relate to financial guarantee commitments for car rental agreements and on behalf of retailers in Sweden. Guarantees on behalf of retailers in Sweden comprise items such as guarantees towards retailer's car washes and store inventory, in addition to guarantees towards suppliers of electricity and heating. The carrying amount and fair value of the guarantee commitments recognized in the balance sheet at April 26, 2015 were not significant.

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

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

Off-Balance Sheet Arrangements

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

Selected Quarterly Financial Information

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

(In millions of US dollars except for per share data)	**52-week period ended April 26, 2015**				52-week period ended April 27, 2014			
Quarter	**4th**	3rd	2nd	1st	4th	3rd	2nd	1st
Weeks	**12 weeks**	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks
Revenues	**7,285.5**	9,107.8	8,946.3	9,190.3	8,954.1	11,094.6	9,011.0	8,902.4
Operating income before depreciation, amortization and impairment of property and equipment and other assets	**314.7**	536.8	510.0	492.0	296.3	420.5	457.3	443.4
Depreciation, amortization and impairment of property and equipment and other assets	**128.6**	152.4	122.7	126.7	142.0	186.0	129.3	125.9
Operating income	**186.1**	384.4	387.3	365.3	154.3	234.5	328.0	317.5
Share of earnings of joint ventures and associated companies accounted for using the equity method	**4.4**	7.7	5.1	4.7	3.9	4.6	5.5	8.7
Net financial expenses	**15.6**	41.2	18.6	30.0	26.9	21.8	50.2	11.7
Net earnings	**129.5**	248.1	286.4	269.5	145.1	182.3	229.8	255.0
Net earnings per share								

(In millions of US dollars except for per share data)	52-week period ended April 26, 2015				52-week period ended April 27, 2014			
Quarter	**4th**	3rd	2nd	1st	4th	3rd	2nd	1st
Weeks	**12 weeks**	16 weeks	12 weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks
Basic	**$0.23**	$0.44	$0.51	$0.48	$0.26	$0.32	$0.41	$0.45
Diluted	**$0.23**	$0.44	$0.50	$0.47	$0.25	$0.32	$0.40	$0.45

The volatility of road transportation fuel gross margin, mostly in the United States, and seasonality both have an impact on the variability of our quarterly net earnings. With that said, the majority of our operating income is derived from merchandise and service sales.

Analysis of consolidated results for the fiscal year ended April 27, 2014

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 to 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 $350.6 million or 4.6%. Excluding the negative net 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 $441.9 million. This increase was 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 were 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 fiscal 2014, 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 our in-store offerings 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 was a strong improvement over the trend our European network was posting before we acquired Statoil Fuel & Retail. Our new fuel brand "*miles*TM" which we launched in some of our European markets delivered encouraging results and was a nice contributor to this fiscal 2014 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 divesture 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 net 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	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 27, 2014					
United States (US dollars per gallon)	3.51	3.45	3.24	3.47	**3.41**
Europe (US cents per litre)	100.72	103.25	107.49	104.11	**104.38**
Canada (CA cents per litre)	114.53	117.05	113.11	118.74	**115.63**
52-week period ended April 28, 2013					
United States (US dollars per gallon)	3.49	3.65	3.35	3.61	**3.51**
Europe (US cents per litre)	-	103.96	104.71	103.80	**104.21**
Canada (CA cents per litre)	112.62	117.41	110.43	115.65	**113.77**

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

Gross profit

In fiscal 2014, the consolidated merchandise and service gross margin was $2 699,3 million, an increase of $103.3 million or 4.0% compared with fiscal 2013. Excluding the negative net 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 $114.3 million. This increase was 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 0.2% in Europe to 41.4%. 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 showed 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 pricing strategies aimed at improving 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 and 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	1st	2nd	3rd	4th	**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, road transportation fuel margins in the United States are volatile from one quarter to another. Expenses related to electronic payment modes and associated volatility are not as significant in Europe and in Canada.

Operating, selling, administrative and general expenses

For fiscal 2014, operating, selling, administrative and general expenses increased by 5.6% compared with fiscal 2013, but increased by only 0.1% if we exclude certain items, as demonstrated by the following table:

Total variance as reported	**5.6%**
Subtract:	
Increase from incremental expenses related to acquisitions	6.6%
Decrease from divesture of LPG business	(0.1%)
Increase from higher electronic payment fees, excluding acquisitions	0.3%
Decrease from the net impact of foreign exchange translation	(1.2%)
Acquisition costs recognized to earnings of fiscal 2013	(0.1%)
Remaining variance	**0.1%**

The remaining variance for fiscal 2014 came 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.

In Europe, fiscal 2014 expense level was still affected by the implementation of a new IT infrastructure and the rollout of an ERP system.

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

During fiscal 2014, EBITDA increased by 19.2% compared with the previous fiscal year, reaching $1,640.2 million.

Excluding restructuring costs, 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 with fiscal year 2013, reaching $1,590.9 million. Net of acquisition costs recorded to earnings, acquisitions contributed approximately $153.0 million to adjusted EBITDA, while the variation in exchange rates had a negative net impact of approximately $11.0 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:

	52-weeks periods ended	
(in millions of US dollars)	**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, the replacement of equipment, addition of new stores and ongoing improvement of our network.

Net financial expenses

For fiscal 2014, we recorded net financial expenses of $110.6 million compared with $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 with 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 with 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 with an income tax rate of 16.8% for fiscal 2013.

Net earnings

We closed fiscal 2014 with net earnings of $812.2 million, compared with $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 with $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 net 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, 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 in connection with 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, fiscal 2014 net earnings would have stood at approximately $766.0 million, up $145.0 million or 23.3%, while fiscal 2014 diluted earnings per share would have stood at approximately $1.35, an increase of 21.6%.

Internal Controls

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents, also taking into account materiality. Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at April 26, 2015, our management, following its assessment, certifies the design and operating effectiveness of disclosure controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 26, 2015, our management and our external auditors reported that these internal controls were effective.

Critical Accounting Policies and Estimates

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

Inventory. Our inventory is comprised mainly of products purchased for resale including tobacco products, fresh goods, beer and wine, grocery items, candies and snacks, other beverages and road transportation fuel. Inventories are valued at the lesser of cost and net realizable value. Cost of merchandise is generally valued based on the retail price less a normal margin and the cost of road transportation fuel inventory is generally determined according to the average cost method. The cost of lubricant inventory and aviation fuel is determined using the first in first out method. Inherent in the determination of margins are certain management judgments and estimates, which could affect ending inventory valuations and results of operations.

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

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

Asset retirement obligations. Asset retirement obligations primarily relate to estimated future costs to remove underground road transportation fuel storage tanks and are based on our prior experience in removing these tanks, estimated tank useful life, lease terms for those tanks installed on leased properties, external estimates and governmental regulatory requirements.

A discounted liability is recorded for the present value of an asset retirement obligation with a corresponding increase to the carrying value of the related long-lived asset at the time an underground storage tank is installed. To determine the initial liability, the future estimated cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amount added to property and equipment is amortized and an accretion expense is recognized in connection with the discounted liability over the remaining life of the tank or lease term for leased properties.

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

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

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

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

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

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

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

- When we recognize related restructuring costs or termination benefits;

- Net interest on the defined benefit liability (asset) represents the net defined benefit liability (asset), multiplied by the discount rate and is recorded in financial expenses.

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

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

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

Changes in Accounting Standards

Revised Standards

Levies

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

Recently issued accounting standards not yet implemented

Classification and measurement of financial assets and financial liabilities

In July 2014, the IASB completed IFRS 9, “Financial Instruments” in its three-part project to replace IAS 39, “Financial Instruments: Recognition and Measurement” with a single approach to determine whether a financial asset is measured at amortized cost or fair value. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The standard is effective for fiscal years beginning on or after January 1st, 2018. The Corporation will assess, in due course, the impact of this standard on its consolidated financial statements.

Revenue from Contracts with Customers

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

Presentation of financial statements

In December 2014, the IASB issued amendments to IAS 1, “Presentation of Financial Statements”, to clarify materiality, aggregation and disaggregation of items presented in the balance sheet, statement of earnings and statement of comprehensive income as well as order of notes to financial statements. These amendments shall be applied to fiscal years beginning on or after January 1st, 2016 with earlier adoption permitted. The Corporation will assess, in due course, the impact of this standard on its consolidated financial statements.

Business Risks

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

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

Road Transportation Fuel. Our results are sensitive to the changes in road transportation fuel prices and gross margin. Factors beyond our control such as market-driven changes in supply terms, road transportation fuel price fluctuations due to, amongst other things, general political and economic conditions, as well as the market's limited ability to absorb road transportation fuel prices fluctuations, are factors that could influence road transportation fuel selling price and related gross margin. During fiscal 2015, road transportation fuel revenues accounted for approximately 70.0% of our total revenue, yet the road transportation fuel gross margin represented only about 40.0% of our overall gross profits. In fiscal 2015, a change of one cent per gallon (approximately 0.26 cents per litre) would have resulted in a change of approximately $81.0 million in road transportation fuel gross profit, with a corresponding impact of approximately $0.10 on earning per share on a diluted basis.

Electronic Payment Modes. We are exposed to significant fluctuations in expenses related to electronic payment modes resulting from large changes in road transportation fuel retail prices, particularly in our U.S. markets, because the majority of this expense is based on a percentage of the retail prices of road transportation fuel. For fiscal 2015, a variation of 10% in our expenses associated with electronic payment modes would have had an impact of approximately $0.04 on earning per share on a diluted basis.

Tobacco Products. Tobacco products represent our largest product category of merchandise and service revenues. For fiscal 2015, revenues of tobacco products were approximately 41.0% of total merchandise and service revenues. Significant increases in wholesale cigarette costs, a tax increase on tobacco products, as well as current and future legislation and national and local campaigns to discourage smoking in the United States, Canada and Europe, may have an adverse impact on the demand for tobacco products, and may therefore adversely affect our revenues and profits in light of the competitive landscape and consumer sensitivity to the price of such products.

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

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

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

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

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

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

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

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

Accounts Receivable. We are exposed to risk related to the creditworthiness and performance of our customers, suppliers and contract counterparties. As of April 26, 2015, we had outstanding accounts receivable totaling $1,194.8 million. This amount primarily consists of credit card receivables, vendor rebates due from our suppliers and receivables arising from the sale of fuel and other products to independent, franchised or licensed gas station operators as well as to other industrial and commercial clients. Contracts with longer payment cycles or difficulties in enforcing contracts or collecting accounts receivables could lead to material fluctuations in our cash flows and could adversely impact our business, financial condition and results of operations.

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

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

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

We are also exposed to foreign currency risk with respect to a portion of our long-term debt denominated in U.S. dollars and certain intercompany loans. As at April 26, 2015, all else being equal, a hypothetical variation of 5.0% of the U.S. dollar against the Canadian dollar would have had a net impact of $85.5 million on other comprehensive income. We do not currently use derivative instruments to mitigate this risk.

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

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

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

Interest Rates. We are exposed to interest rate fluctuations associated with changes in the short-term interest rate. Borrowings under our credit facilities bear interest at variable rates, and other debt we incur could likewise bear interest at variable rates. As of April 26, 2015, we carried variable rate debt of approximately $1,839.0 million. Based on the amount of our variable rate debt as at April 26, 2015, a one percentage point increase in interest rates would decrease our earnings per share by $0.02 on a diluted basis. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. We do not currently use derivative instruments to mitigate this risk.

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

Litigation. In the ordinary course of business, we are a defendant in a number of legal proceedings, suits, and claims common to companies engaged in our business and an adverse outcome in such proceedings could adversely affect our business, financial condition and results of operations. Effectively, convenience store businesses and other foodservices operators can be adversely affected by litigation and complaints from customers or government agencies resulting from food quality, illness, or other health or environmental concerns or operating issues stemming from one or more locations. Lack of fresh food handling experience among our workforce increases the risk of food borne illness resulting in litigation and reputational damage. Adverse publicity about these allegations may negatively affect us, regardless of whether the allegations are true, by discouraging customers from purchasing fuel, merchandise or food at one or more of our convenience stores. We could also incur significant liabilities if a lawsuit or claim results in a decision against us. Even if we are successful in defending such litigation, our litigation costs could be significant, and the litigation may divert time and money away from our operations and adversely affect our performance or our ability to continue operating branded quick service restaurants under franchise agreements.

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

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

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

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

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

Long-Term Changes in Customer Behaviour. In the road transportation fuel and convenience business sector, customer traffic is generally driven by consumer preferences and spending trends, growth of road traffic and trends in travel and tourism. A decline in the number of potential customers using our fuel stations and convenience stores due to changes in consumer preferences, changes in discretionary consumer spending or modes of transportation could adversely impact our business, financial condition and results of operations. Additionally, negative publicity or perception surrounding fuel suppliers could adversely affect their reputations and brand image which may negatively affect our fuel sales and gross profits. Similarly advanced technology and increased use of “green” automobiles (i.e. those automobiles that do not use petroleum-based fuel or that run on hybrid fuel sources) could drive down demand for fuel.

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

Technological changes and scientific developments. Developments regarding climate change and the effects of greenhouse gas emissions on climate change and the environment may decrease the demand for our major product, petroleum-based fuel. Attitudes toward our product and its relationship to the environment and the “green movement” may significantly affect our sales and ability to market our product. New technologies developed to steer the public toward non-fuel dependant means of transportation may create an environment with negative attitude toward fuel, thus affecting the public’s attitude toward our major product and potentially having a material effect on our business, financial condition and results of operations. Further, new technologies developed to improve fuel efficiency or governmental mandates to improve fuel efficiency may result in decreased demand for petroleum-based fuel, which could have a material effect on our business, financial condition and results of operation.

Sensitive information – data protection. In the normal course of our business as a fuel and merchandise retailer, we obtain large amounts of personal data, including credit and debit card information from our customers. While we have invested significant amounts in the protection of our information technology and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material effect on our reputation, operating results and financial condition. Such a breakdown or breach could also materially increase the costs we incur to protect against such risks. Also, a material failure on our part to comply with regulations relating to our obligation to protect such sensitive data or to the privacy rights of our customers, employees and others could subject us to fines or other regulatory sanctions and potentially to lawsuits.

Information technology systems. We depend on information technology systems ("IT systems") to manage numerous aspects of our business transactions and to provide information to management. Our IT systems are an essential component of our business and growth strategies, and a serious disruption to out IT systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, computer viruses and laws and regulations necessitating mandatory upgrades and timelines with which we may not be able to comply. Any serious disruption could cause our business and competitive position to suffer and adversely affect our operating results.

Outlook

During fiscal year 2016, we are looking forward to work on the integration of The Pantry stores into our network and to materializing associated synergies in addition to continuing our work around value creation in Europe. We will also continue working at improving and expanding our network, including the construction of new stores and the relocation and reconstruction of existing stores. We also intend to maintain our ongoing focus on sales, supply terms and operating expenses while keeping an eye on growth opportunities that may be available in our various markets.

Similar to prior years, we will pay special attention to the reduction of our debt level in order to continue to improve our financial flexibility and further improve the quality of our credit rating, allowing us to be adequately positioned to realize potential acquisition opportunities.

Finally, in line with our business model, we intend to continue focusing 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 customers.

July 14, 2015