FISCAL YEAR 2011

ALIMENTATION COUCHE-TARD INC.

MANAGEMENT DISCUSSION & ANALYSIS

52-week period ended April 24, 2011

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 the performance for fiscal year ending April 24, 2011. 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 Canadian generally accepted accounting principles (Canadian GAAP). We also use measures in this MD&A that do not comply with Canadian GAAP. When such measures are presented, they are defined and the reader is informed. You should read the following MD&A in conjunction with the annual consolidated financial statements and related notes included in Couche-Tard's 2011 Annual Report (2011 annual report), which, along with additional information relating to Couche-Tard, including the latest Annual Information Form, is available on SEDAR at www.sedar.com and on the Corporation's website at www.couche-tard.com/corporate.

Forward-Looking Statements

This MD&A includes certain statements that are "forward-looking statements" within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words "believe", "intend", "expect", "estimate" 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 12, 2011, which are not guarantees of 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, monetizations, 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, Couche-Tard disclaims 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", 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 North America, we are the largest independent convenience store operator (whether integrated with a petroleum corporation or not) in terms of number of company-operated stores.

As of April 24, 2011, our network was comprised of 5,795 convenience stores throughout North America, including 4,128 stores with motor fuel dispensing. During fiscal 2011, in order to stimulate growth and to create additional value, we subdivided our Eastern Canada business unit into two new business units: the Quebec West unit as well as the Quebec East and Atlantic unit. This strategic reorganization is in line with our business philosophy which is to operate networks of a maximum of approximately 500 company-operated stores per business unit. Thus, from now on, our network consists of 13 business units, including nine in the United States covering 42 states and the District of Columbia and four in Canada covering all ten provinces. More than 53,000 people are employed throughout our network and at the service offices.

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

Value creation

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 when we improve our offering. However, despite the context, acquisitions have to be concluded at reasonable conditions in order to create value for the 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, it has to be noted that in recent years, the organic contribution played an important role in the growth of our net earnings. The on-going improvement of our offer, including fresh products, supply terms and efficiency of our business has been a highlight, especially with the absence of significant acquisitions and net growth in store count in the recent years. During this same period, it has also often been more advantageous for us to repurchase back our own shares at a lower multiple than some store networks that were offered to us. Thus, all these elements contributed to the growth in net earnings and to value creation for our shareholders and other stakeholders. Our goal is to continue in this direction.

Fiscal 2011 Overview

Net earnings amounted to $370.1 million for fiscal 2011, up 22.2% over fiscal 2010 chiefly due to the growth of same-store merchandise sales, the increase in merchandise and service gross margins, the rise in motor fuel volume but more importantly in related margins, the sound management of our expenses, the stronger Canadian dollar compared to the U.S. currency, the decrease in financial expenses as well as a lower income tax rate. These items, which had a positive effect on net earnings, were partially offset by the rise in expenses related to electronic payment modes stemming from the higher average retail price of motor fuel.

It should be noted that net earnings for fiscal 2010 had benefited from non-recurring items, mainly the gain of $11.4 million after income taxes from to the disposal of Casey's shares and the reversal of provisions totaling $3.6 million, net of income taxes, while in fiscal 2011, we expensed the fees related to our public tender offer for the acquisition of Casey's, following our decision not to renew our offer, a negative impact of $7.0 million on net earnings for fiscal 2011. Excluding these items from net earnings for both comparable periods, the increase in fiscal 2011 net earnings would have been $89.2 million or 31.0%, an increase of $0.47 per share on a diluted basis.

Business acquisitions and store construction

During fiscal 2011, we made the following business acquisitions:

- On September 9, 2010, we acquired ten company-operated stores from Compac Food Stores Inc. Nine of the stores are located in the greater Mobile, Alabama area and one is located in Pensacola, Florida. We own all buildings while we lease the land for four stores and own the six others.

- On September 30, 2010, we acquired 12 company-operated stores located in central Indiana from Crystal Flash Petroleum, LLC. We own the land and building for one site, lease those same assets for ten sites and own the building and lease the land for one site.

- During the fiscal year, we also acquired 25 other stores through 21 distinct transactions. We own the land and buildings for 15 sites while we lease both these assets for the other ten sites.

In addition, we built 35 new stores during fiscal 2011.

Transactions subsequent to the end of fiscal 2011

In May 2011, we acquired 11 company-operated stores located in Ontario, Manitoba, Saskatchewan, Alberta and British-Columbia, Canada from Shell Canada Products. We own the land and buildings for seven sites and lease these same assets for four sites.

In May 2011, we acquired five company-operated stores operating under the Gas City banner of which, one is located in Arizona and four in the Chicago area, United States. We own the land and buildings for three of these sites and lease the others.

In June 2011, we signed an agreement with Exxon Mobil for 322 stores and a motor fuel supply agreement for another 65 stores. All stores are operated in Southern California, United States. Assuming the closing of the transaction, out of the 322 stores, 72 would be operated by the Corporation while 250 would be operated by independent operators. We would own the real estate for up to 202 of the sites while the balance would be leased. The transaction is anticipated to close in stages between the fourth quarter of calendar year 2011 and the second quarter of calendar year 2012 and is subject to standard regulatory approvals and closing conditions.

In June 2011, we signed an agreement to acquire 26 company-operated stores operating in the mid-Atlantic states of the United States. Assuming the closing of the transaction which is scheduled before the end of the summer season, we would own the real estate for 25 sites while we would lease the other one. The transaction is subject to standard regulatory approvals and closing conditions.

Internal available cash and the credit facilities were or will be used for these acquisitions.

Raise of corporate credit rating

On April 4, 2011, Standard & Poor's raised our corporate credit rating from BB+ to BBB-. By doing so, our credit rating went from the "Speculative Grade" category to the "Investment Grade" category, reflecting, according to Standard & Poor's, our strong market position, the quality of our financial results, the efficiency of our operations and our moderate use of debt.

Casey's General Stores, Inc. ("Casey's")

On April 9, 2010, we publicly submitted a proposal to Casey's Board of Directors to acquire all of the outstanding shares of common stock of Casey's for $36.00 per share, payable in cash. On June 2, 2010, we commenced our tender offer to acquire all of the outstanding shares of common stock of Casey's for $36.00 per share, payable in cash. On July 22, 2010 we increased our tender offer to $36.75 per share in cash. We finally revised the tender offer to $38.50 per share in cash on September 1st, 2010.

On September 30, 2010, our public tender offer expired. Given Casey's Board's repeated refusal to negotiate with us, we have decided not to continue to pursue our offer. We have not purchased any Casey's shares pursuant to the public tender offer, and all tendered shares have been returned. During fiscal 2011, we therefore expensed fees related to this tender offer of approximately $9.5 million before income taxes which had been previously deferred.

Early redemption of the Subordinated Unsecured Debt

On December 15, 2010, we proceeded to the early redemption of our Subordinated Unsecured Debt (the "debt") at a price of 101.25% of the principal amount. The debt had a nominal value of $350.0 million and was bearing interest at 7.5%. The total amount disbursed for the redemption was $354.4 million, consisting of the nominal value of $350.0 million plus the premium of $4.4 million. At time of redemption, the debt had a book value of $351.4 million. Therefore, a pre-tax negative net impact of $3.0 million was recorded to earnings of fiscal 2011. This negative net impact is comprised of the $4.4 million premium paid, net of a $1.4 million gain which represents the difference between the debt's book value of $351.4 million and the nominal value of $350.0 million.

Share repurchase programs

1) Program effective August 10, 2009, which expired August 9, 2010

We have not repurchased shares under this program during fiscal 2011 considering our interest for Casey's at that time.

2) Program effective October 25, 2010, expiring at the latest on October 24, 2011

On October 25, 2010, we implemented a new share repurchase program to replace the program that expired August 9, 2010. This program allows us to repurchase up to 2,685,335 of the 53,706,712 Class A multiple voting shares and up to 11,621,801 of the 116,218,014 Class B subordinate voting shares issued and outstanding as at October 20, 2010 (representing 5.0% of the Class A multiple voting shares issued and outstanding and 10.0% of the Class B subordinate voting shares of the public float, as at that date, respectively, as defined by applicable rules). In accordance with the Toronto Stock Exchange requirements, we can repurchase a daily maximum of 1,000 Class A multiple voting shares and of 83,622 Class B subordinate voting shares. When making such repurchases, the number of Class A multiple voting shares and of Class B subordinate voting shares in circulation is reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital is increased on a pro rata basis. All shares repurchased under the share repurchase program are cancelled upon repurchase.

During fiscal 2011, under this program, we repurchased 12,000 Class A multiple voting shares at an average cost of CA$25.32 and 2,768,300 Class B subordinate voting shares at an average cost of CA$25.08.

Dividends

During its July 12, 2011 meeting, considering Couche-Tard's good results and strong balance sheet, the Corporation's Board of Directors (the "Board") decided it was appropriate to amend the quarterly dividend by increasing it by CA$0.0125 per share, which thereby corresponds to CA$0.0625 per share.

On the same date, the Board declared a quarterly dividend of CA$0.0625 per share for the fourth quarter of fiscal 2011 to shareholders on record as at July 21, 2011 and approved its payment for July 29, 2011. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

During fiscal 2011, the Board declared dividends averaging CA$0.048 per share.

Outstanding shares and stock options

As at July 8, 2011, Couche-Tard had 53,690,112 Class A multiple voting shares and 130,029,401 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 5,830,864 outstanding stock options for the purchase of Class B subordinate voting shares.

Exchange rate data

The Corporation's US dollar reporting provides more relevant information given the predominance of its operations in the United States and its debt largely dominated in US dollars.

The following table sets forth information about exchange rates based upon the Bank of Canada closing rates expressed as US dollars per CA$1.00:

	12-week periods ended		52-week periods ended		
	April 24, 2011	April 25, 2010	**April 24, 2011**	April 25, 2010	April 26, 2009
Average for period [(a)]	**1.0240**	0.9718	**0.9861**	0.9296	0.8760
Period end	**1.0485**	1.0009	**1.0485**	1.0009	0.8267

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

As we use the US dollar as our reporting currency, in our consolidated financial statements and in the present document, unless indicated otherwise, results from our Canadian and corporate operations are translated into US dollars using the average rate for the period. Variances and explanations related to variations in the foreign exchange rate and the volatility of the Canadian dollar which we discuss in the present document are therefore related to the translation in US dollars of our Canadian and corporate operations results and do not have a true economic impact on our performance since most of the Corporation's consolidated revenues and expenses are received or denominated in the functional currency of the markets in which it does business. Accordingly, our sensitivity to variations in foreign exchange rates is economically limited.

Income Statement Categories

Merchandise and Service Revenues. In-store merchandise revenues are comprised primarily of the sale of tobacco products, fresh food offerings, including quick service restaurants (QSRs), beer/wine, grocery items, candy, snacks and various beverages. 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.

Motor Fuel Revenues. We include in our revenues the total dollar amount of motor fuel sales, including any imbedded taxes, if we take ownership of the motor fuel inventory. In the United States, in some instances, we purchase motor 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 motor fuel revenues. Where we act as a selling agent for a petroleum distributor, only the commission we earn is recorded as revenue.

Gross Profit. Gross profit consists mainly of revenues less the cost of merchandise and motor fuel sold. Cost of sales is mainly comprised of the specific cost of merchandise and motor 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 motor fuel, it is determined using the average cost method. The gross motor fuel margin for stores generating commissions corresponds to the sales commission.

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

Key performance indicators used by management, which can be found under "Selected Consolidated Financial Information - Other Operating Data", are merchandise and service gross margin, growth of same-store merchandise revenues, motor fuel gross margin and growth of same-store motor fuel volume, return on equity and return on capital employed.

Summary of changes in our stores during the fourth quarter and fiscal year ended April 24, 2011

The following table presents certain information regarding changes in our stores over the 12-week and 52-week periods ended April 24, 2011:

	12-week period ended April 24, 2011			52-week period ended April 24, 2011		
	Company-operated stores	**Affiliated stores**	**Total**	**Company-operated stores**	**Affiliated stores**	**Total**
Number of stores, beginning of period	4,403	1,471	5,874	4,408	1,470	5,878
Acquisitions	7	-	7	47	-	47
Openings / constructions / additions	9	12	21	35	112	147
Closures / disposals / withdrawals	(18)	(89)	(107)	(89)	(188)	(277)
Number of stores, end of period	4,401	1,394	5,795	4,401	1,394	5,795

Summary analysis of consolidated results for the fourth quarter of fiscal 2011

The following table highlights certain information regarding our operations for the 12-week periods ended April 24, 2011 and April 25, 2010:

(In millions of US dollars, unless otherwise stated)

	12-week period ended April 24, 2011	12-week period ended April 25, 2010	Change %
Revenues	**4,841.1**	4,003.5	20.9
Operating income	**84.8**	101.1	(16.1)
Net earnings	**64.0**	68.8	(7.0)
Selected Operating Data:			
Merchandise and service gross margin [1]:			
Consolidated	**33.6%**	33.0%	0.6
United States	**33.5%**	33.0%	0.5
Canada	**33.6%**	32.9%	0.7
Growth (decrease) of same-store merchandise revenues [2] [3]:			
United States	**3.6%**	3.2%	
Canada	**(2.1%)**	6.9%	
Growth (decrease) of same-store motor fuel volume [3]:			
United States	**0.3%**	(0.7%)	
Canada	**1.8%**	4.2%	
Motor fuel gross margin [3]:			
United States (cents per gallon)	**14.24**	14.42	(1.2)
Canada (CA cents per litre)	**5.01**	4.85	3.3

(1) Includes other revenues derived from franchise fees, royalties and rebates on some purchases by franchisees and licensees.
(2) Does not include services and other revenues (as described in footnote 1 above). Growth in Canada is calculated based on Canadian dollars.
(3) For company-operated stores only.

Revenues

Revenues amounted to $4.8 billion in the fourth quarter of fiscal 2011, up $837.6 million, an increase of 20.9%, mainly attributable to an increase in motor fuel sales arising from the higher average retail prices at the pump and from the rise in motor fuel volume sold in the United States and Canada, to the stronger Canadian dollar as well as to the growth of same-store merchandise sales in the United States.

Regarding internal growth, same-store merchandise revenues rose by 3.6% in the United States and decreased 2.1% in Canada. For the Canadian and U.S. markets, variation in same-store merchandise sales is attributable to our merchandising strategies, to the economic conditions in each of our markets as well as to the investments we made to enhance service and the offering of products in our stores. We see some slowdown on the part of consumers, likely due to rising motor fuel prices, unemployment level remaining high in the United States, pressure on personal disposable income and the level of household indebtedness. Canadian consumers who had not suffered as much during the last financial crisis now seem to change their consumption habits as Americans did, by looking for products that will help them save money. In addition, during the fourth quarter of fiscal 2011, adverse weather conditions had a negative impact on merchandise and service sales in many of our markets as it did for many other retailers. However, we seem to hold up well in comparison to other retailers and we maintain our attention on balancing in-store traffic and margin level as well as on our market share as always.

Gross profit

The consolidated merchandise and service gross margin was 33.6% in the fourth quarter of fiscal 2011, up 0.6% compared with the same quarter of fiscal 2010. In the United States, the gross margin was 33.5% while it was 33.6% in Canada, a 0.5% and 0.7% increase, respectively. These increases reflect a more favorable product-mix, the improvements we brought to our supply terms as well as our merchandising strategy in tune with market competitiveness and economic conditions within each of our markets.

In the fourth quarter of fiscal 2011, the motor fuel gross margin for our company-operated stores in the United States decreased by 0.18¢ per gallon, from 14.42¢ per gallon last year to 14.24¢ per gallon this year. However, when taking into account expenses related to electronic payment modes, net margin per gallon decreased by 0.91¢, a shortfall of more than $7.0 million. In Canada, the gross margin increased to CA5.01¢ per litre compared with CA4.85¢ per litre for the fourth quarter of fiscal 2010.

Operating, selling, administrative and general expenses

For the fourth quarter of fiscal 2011, operating, selling, administrative and general expenses rose by 10.5% compared with the fourth quarter of fiscal 2010. These expenses increased by 2.1% because of the increase in electronic payment modes expenses, by 1.6% because of the stronger Canadian dollar and by 0.9% because of acquisitions. In addition, during the fourth quarter of fiscal 2010, the gain from disposal of Casey’s shares as well as the non-recurring reversal of provisions had been recorded against expenses, which explains a variation in expenses of 4.3%. Excluding all of these items, expenses increased by only 1.6% which reflects the increase in hours worked in stores in order to support the increase in merchandise and service sales, minimum wage increases in certain regions as well as the normal increase in expenses caused by inflation. Moreover, excluding expenses related to electronic payment modes for both comparable periods as well as the gain from disposal of Casey’s shares and the non recurring reversal of provisions, both recorded in the fourth quarter of fiscal 2010, expenses in proportion to merchandise and services sales represented 30.5% of sales during the fourth quarter of fiscal 2011, same as for the fourth quarter of fiscal 2010.

Financial expenses

For the fourth quarter of fiscal 2011, financial expenses decreased by $5.4 million compared with the fourth quarter of fiscal 2010 while they decreased by $3.6 million during fiscal 2011. These decreases stem from a lower average interest rate following, amongst other things, the early redemption of our subordinated unsecured debt of $350.0 million during the third quarter of fiscal 2010 as well as the decrease in our indebtedness. However, it has to be noted that the decrease in financial expenses generated by the lower average interest rate more than offset the non-recurring net charge of $3.0 million recorded in the third quarter of fiscal 2011 following the early redemption.

Income taxes

The income tax rate for the fourth quarter of fiscal 2011 is 22.7% compared to a rate of 26.6% for the corresponding quarter of fiscal 2010.

Net earnings

We closed the fourth quarter of fiscal 2011 with net earnings of $64.0 million, which equals $0.35 per share ($0.34 per share on a diluted basis), compared to $68.8 million the previous fiscal year ($0.37 per share on a diluted basis), a decrease of $4.8 million or 7.0%. The stronger Canadian dollar had a favorable impact of approximately $1.0 million on net earnings. Excluding the gain from disposal of Casey’s shares as well as the non-recurring reversal of provisions recorded to net earnings of the fourth quarter of fiscal 2010, net earnings of the fourth quarter of fiscal 2011 increased by $10.2 million or 19.0%, an increase of $0.05 per share on a diluted basis.

Selected Consolidated Financial Information

The following table highlights certain information regarding our operations for the 52-week periods ended April 24, 2011, April 25, 2010 and April 26, 2009:

(In millions of US dollars, unless otherwise stated)

	52-week periods ended		
	April 24, 2011	April 25, 2010	April 26, 2009
Statement of Operations Data:			
Merchandise and service revenues [1]:			
United States	**4,171.8**	3,986.0	3,742.6
Canada	**2,050.0**	1,895.5	1,673.8
Total merchandise and service revenues	**6,221.8**	5,881.5	5,416.4
Motor fuel revenues:			
United States	**10,595.8**	8,819.8	8,865.2
Canada	**2,148.3**	1,738.3	1,499.5
Total motor fuel revenues	**12,744.1**	10,558.1	10,364.7
Total revenues	**18,965.9**	16,439.6	15,781.1
Merchandise and service gross profit [1]:			
United States	**1,381.7**	1,308.1	1,226.2
Canada	**702.9**	638.3	574.9
Total merchandise and service gross profit	**2,084.6**	1,946.4	1,801.1
Motor fuel gross profit:			
United States	**564.9**	488.7	545.6
Canada	**135.7**	118.2	89.9
Total motor fuel gross profit	**700.6**	606.9	635.5
Total gross profit	**2,785.2**	2,553.3	2,436.6
Operating, selling, administrative and general expenses	**2,050.4**	1,906.7	1,848.8
Depreciation and amortization of property and equipment and other assets	**216.3**	204.5	183.0
Operating income	**518.5**	442.1	404.8
Net earnings	**370.1**	302.9	253.9
Other Operating Data:			
Merchandise and service gross margin [1]:			
Consolidated	**33.5%**	33.1%	33.3%
United States	**33.1%**	32.8%	32.8%
Canada	**34.3%**	33.7%	34.3%
Growth of same-store merchandise revenues [2] [3]:			
United States	**4.2%**	2.9%	0.6%
Canada	**1.8%**	4.8%	2.2%
Motor fuel gross margin [3]:			
United States (cents per gallon)	**15.79**	14.51	17.55
Canada (CA cents per litre)	**5.38**	5.31	4.97
Volume of motor fuel sold [4]:			
United States (millions of gallons)	**3,649.1**	3,484.8	3,214.9
Canada (millions of litres)	**2,565.1**	2,395.5	2,059.0
Growth (decrease) of same-store motor fuel volume [3]:			
United States	**0.7%**	1.0%	(6.4%)
Canada	**3.9%**	3.0%	3.7%
Per Share Data:			
Basic net earnings per share (dollars per share)	**2.00**	1.64	1.31
Diluted net earnings per share (dollars per share)	**1.97**	1.60	1.29
Balance Sheet Data:			
Total assets	**3,999.6**	3,696.7	3,255.9
Interest-bearing debt	**526.4**	741.2	749.2
Shareholders' equity	**1,936.1**	1,614.3	1,326.0
Ratios			
Net interest-bearing debt/total capitalization [5]	**0.10:1**	0.24:1	0.30:1
Net interest-bearing debt/EBITDA [6]	**0.28:1**	0.80:1	0.98:1
Adjusted net interest-bearing debt/EBITDAR [7]	**2.10:1**	2.81:1	2.98:1
Profitability			
Return on equity [8]	**20.8%**		
Return on capital employed [9]	**17.9%**		

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

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

(3) For company-operated stores only.

(4) Includes volume of franchisees and dealers.

(5) 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 Canadian GAAP and therefore may not be comparable to similar measures presented by other public companies.

(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 EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization). It does not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other public companies.

(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 plus eight times rent expense, net of cash and cash equivalents and temporary investments, divided by EBITDAR (Earnings Before Interest, Tax, Depreciation and Amortization and Rent). It does not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other public companies.

(8) This ratio is presented for information purposes only and represents a performance measure used especially in financial circles. It represents the following calculation: Fiscal year's net earnings divided by average shareholders' equity for the same period. It does not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other public companies.

(9) This ratio is presented for information purposes only and represents a performance measure used especially in financial circles. It represents the following calculation: Fiscal year's earnings before interest divided by average capital employed for the same period. Capital employed represents total assets net of current liabilities. It does not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other public companies.

Analysis of consolidated results for the fiscal year ended April 24, 2011

Revenues

Our revenues amounted to $19.0 billion in fiscal 2011, up $2.5 billion, an increase of 15.4%, mainly attributable to the increase in motor fuel sales arising from the higher average retail price of motor fuel and to the increase in same-store motor fuel volume, to acquisitions, to the stronger Canadian dollar as well as to the growth in same-store merchandise revenues.

More specifically, the growth of merchandise and service revenues for fiscal 2011 was $340.3 million or 5.8%, of which approximately $115.1 million was generated by a stronger Canadian dollar and $32.6 million comes from acquisitions. Internal growth, as measured by the growth in same-store merchandise revenues, was 4.2% in the United States while it stood at 1.8% in Canada. For the Canadian and U.S. markets, growth of same-store merchandise sales is attributable to our merchandising strategies, to the economic conditions in each of our market as well as to the investments we made to enhance service and the offering of products in our stores. We see some slowdown on the part of consumers, likely due to rising motor fuel prices, unemployment level remaining high in the United States, pressure on personal disposable income and the level of household indebtedness. Canadian consumers who had not suffered as much during the last financial crisis now seem to change their consumption habits as Americans did, by looking for products that will help them save money. In addition, adverse weather conditions in many of our markets had a negative impact on merchandise and service sales as it did for many other retailers. However, we seem to hold up well in comparison to other retailers and we maintain our attention on balancing in-store traffic and margin level as well as on our market share as always.

Motor fuel revenues increased by $2.2 billion or 20.7% in fiscal 2011, of which $463.0 million stem from acquisitions and from additional volume derived from a growing number of sites offering motor fuel while a $106.0 million increase in revenues was generated from the appreciation of the Canadian dollar against its U.S. counterpart. Same-store motor fuel volume grew by 0.7% in the United States and 3.9% in Canada. The higher average retail price of motor fuel generated an increase in revenues of approximately $1.4 billion as shown in the following table, starting with the first quarter of the fiscal year ended April 25, 2010:

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 24, 2011					
United States (US dollars per gallon)	2.72	2.67	2.89	3.44	**2.93**
Canada (CA cents per litre)	91.46	90.47	97.76	108.53	**96.91**
52-week period ended April 25, 2010					
United States (US dollars per gallon)	2.41	2.48	2.59	2.71	**2.55**
Canada (CA cents per litre)	88.80	89.24	90.00	92.36	**90.07**

Gross profit

The consolidated merchandise and service gross margin was 33.5% in fiscal 2011, up 0.4%. In the United States, the gross margin was 33.1% while it was 34.3% in Canada, a 0.3% and 0.6% increase, respectively. These increases reflect a more favourable product-mix, the improvements we brought to our supply terms as well as our merchandising strategy in tune with market competitiveness and economic conditions within each market.

As for the motor fuel margin net of expenses related to electronic payment modes for our company-operated stores in the United States, it increased by 0.72¢ per gallon, from 10.68¢ per gallon in fiscal 2010 to 11.40¢ per gallon this year, a 6.8% increase. Once again, it is possible to see that the net motor fuel margins tend to be comparable on an annual basis and are less volatile than we might be inclined to imagine. In Canada, the gross margin is also rising, reaching CA5.38¢ per litre compared with CA5.31¢ per litre in fiscal 2010. The motor 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 ending April 25, 2010, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 24, 2011					
Before deduction of expenses related to electronic payment modes	19.12	17.12	13.38	14.24	**15.79**
Expenses related to electronic payment modes	4.17	4.17	4.36	4.87	**4.39**
After deduction of expenses related to electronic payment modes	14.95	12.95	9.02	9.37	**11.40**
52-week period ended April 25, 2010					
Before deduction of expenses related to electronic payment modes	15.43	15.78	12.88	14.42	**14.51**
Expenses related to electronic payment modes	3.56	3.79	3.85	4.14	**3.83**
After deduction of expenses related to electronic payment modes	11.87	11.99	9.03	10.28	**10.68**

Operating, selling, administrative and general expenses

For fiscal 2011, operating, selling, administrative and general expenses rose by 7.5% compared with fiscal 2010. These expenses increased by 1.8% because of the stronger Canadian dollar, by 1.7% because of the increase in electronic payment modes expenses and by 0.8% because of acquisitions. In addition, during fiscal 2011, following the non-renewal of our public tender offer for the acquisition of Casey's, we recorded to earnings related fees that had previously been deferred, which made expenses increase by 0.5%. As for the gain from disposal of Casey's shares and the non-recurring reversal of provisions both recorded in fiscal 2010, they account for a variation of 1.0% in expenses. Excluding all of these items, expenses increased by only 1.7% which reflects the increase in hours worked in stores in order to support the increase in merchandise and service sales, minimum wage increases in certain regions as well as the normal increase in expenses caused by inflation. Moreover, excluding fees related to Casey's for fiscal 2011, the gain from disposal of Casey's shares and the non recurring reversal of provisions for fiscal 2010 as well as expenses related to electronic payment modes for both comparable periods, expenses in proportion to merchandise and services sales represented 29.4% during fiscal 2011, compared to 29.8% during fiscal 2010.

This performance reflects our constant efforts to find ways to improve our efficiency while making certain that we maintain the quality of the service we offer our clients. Our decentralized business model as well as our organizational culture are clearly factors allowing us to be one of the most efficient operators of our industry.

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

EBITDA was $734.8 million, up $88.2 million or 13.6% compared with fiscal 2010. Acquisitions account for $4.6 million of this amount. Excluding the non recurring amounts of fiscal 2010 EBITDA, that is the gain from disposal of Casey's shares and the reversal of provisions and excluding fees related to our public tender offer for the acquisition of Casey's from fiscal 2011 EBITDA, the increase in EBITDA would have been $116.4 million or 18.5%.

It should be noted that EBITDA is not a performance measure defined by Canadian GAAP, but we, as well as investors and analysts, use this measure to evaluate the Corporation's financial and operating performance. Note that our definition of this measure may differ from the one used by other public companies:

(in millions of US dollars)	52-week periods ended	
	April 24, 2011	April 25, 2010
Net earnings, as reported	**370.1**	302.9
Add:		
Income taxes	**122.1**	109.3
Financial expenses	**26.3**	29.9
Depreciation and amortization of property and equipment and other assets	**216.3**	204.5
EBITDA	**734.8**	646.6

Depreciation and amortization of property and equipment and other assets

For fiscal year 2011, the depreciation expense increased due to the investments made through acquisitions, replacement of equipment, addition of stores and the ongoing improvement of our network.

Financial expenses

Financial expenses were down $3.6 million compared with fiscal 2010. This decrease is chiefly the result of the lower average interest rate due, amongst other things, to the early redemption of our subordinated unsecured debt of $350.0 million during the third quarter of fiscal 2011 and to the decrease in average borrowings. These factors contributing to the decrease in financial expenses were partially offset by a non-recurring charge of $3.0 million recorded as part of the early redemption of our subordinated unsecured debt. However, it has to be noted that the decrease in financial expenses generated by the lower average interest rate more than offset this non-recurring charge.

Income taxes

The income tax rate for fiscal year 2011 is 24.8% compared to 26.5% for fiscal 2010.

Net earnings

We closed fiscal 2011 with net earnings of $370.1 million, which equals $2.00 per share or $1.97 per share on a diluted basis compared with $302.9 million the previous fiscal year ($1.60 per share on a diluted basis), an increase of $67.2 million or 22.2%. The appreciation of the Canadian dollar against its US counterpart had a favourable impact of approximately $8.0 million on net earnings. Excluding the gain from disposal of Casey's shares and the non recurring reversal of provisions from fiscal 2010 net earnings and excluding the fees related to our public tender offer for the acquisition of Casey's shares from fiscal 2011 net earnings, the increase in net earnings for fiscal 2011 would have been $89.2 million or 31.0%, an increase of $0.47 per share on a diluted basis.

Financial Position as at April 24, 2011

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

Our total consolidated assets amounted to $4.0 billion as at April 24, 2011, an increase of $302.9 million over the balance as at April 25, 2010. This increase stems primarily from the following items:

- The increase in cash arising from cash flows provided by operating activities;
- The increase in credit and debit cards receivable resulting from the higher average motor fuel retail price;
- The increase in motor fuel inventory resulting from the increase in product cost;
- The generalized increase in assets due to the strengthening of the Canadian dollar.

During fiscal 2011, we recorded a return on capital employed of 17.9%.

Shareholders' equity was $1.9 billion as at April 24, 2011, up $321.8 million compared to the balance as at April 25, 2010, mainly reflecting fiscal 2011 net earnings and the increase in accumulated other comprehensive income following the strengthening of the Canadian dollar, partially offset by dividends declared and share repurchases. During fiscal 2011, we recorded a return on equity of 20.8%.

Liquidity and Capital Resources

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

We have three credit agreements consisting of revolving unsecured credit facilities, each having a maximum amount of $650.0 million, $310.0 million and $40.0 million. The credit facilities will mature September 22, 2012 and are available in the following forms:

- term revolving unsecured operating credits, available i) in Canadian dollars, ii) in US dollars, iii) in the form of Canadian dollars bankers' acceptances, with stamping fees and iv) in the form of standby letters of credit not exceeding $50.0 million or the equivalent in Canadian dollars, with applicable fees. Depending on the form and the currency of the loan, the amounts borrowed bear interest at variable rates based on the Canadian prime rate, the banker's acceptance rate, the US base rate or the LIBOR rate plus a variable margin; and
- unsecured lines of credit in the maximum amount of $50.0 million, available in Canadian or US dollars, bearing interest at variable rates based, depending on the form and the currency of the loan, on the Canadian prime rate, the US prime rate or the US base rate plus a variable margin.

Under these credit agreements, we must maintain certain financial ratios and comply with certain restrictive covenants.

As at April 24, 2011, approximately $485.0 million were available under the credit agreements 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 more than $800 million through our available cash and credit agreements.

Selected Consolidated Cash Flow Information

(in millions of US dollars)	52-week period ended April 24, 2011	52-week period ended April 25, 2010	Change
Operating activities	**$**	$	$
Cash flows [1]	**604.3**	504.0	100.3
Other	**14.6**	(13.2)	27.8
Net cash provided by operating activities	**618.9**	490.8	128.1
Investing activities			
Purchase of property and equipment and other assets, net of proceeds from the disposal of property and equipment	**(202.5)**	(202.4)	(0.1)
Business acquisitions	**(38.5)**	(156.1)	117.6
Disposal of an investment in publicly-traded securities	**-**	75.9	(75.9)
Investment in publicly-traded securities	**-**	(62.0)	62.0
Proceeds from sale and leaseback transactions	**5.1**	11.1	(6.0)
Net cash used in investing activities	**(235.9)**	(333.5)	97.6
Financing activities			
Early redemption of the subordinated unsecured debt	**(332.6)**	-	(332.6)
Share repurchase	**(69.1)**	(56.4)	(12.7)
Net increase (decrease) in other long-term borrowings	**132.7**	(46.7)	179.4
Cash dividends paid	**(32.8)**	(25.1)	(7.7)
Interest rate swap early termination fees received	**-**	2.5	(2.5)
Issuance of shares	**11.4**	2.5	8.9
Net cash used in financing activities	**(290.4)**	(123.2)	(167.2)
Corporation credit rating			
Standard and Poor's	**BBB-**	BB+	

(1) These cash flows are presented for information purposes only and represent a performance measure used especially in financial circles. They represent net earnings plus depreciation and amortization, loss (gain) on disposal of property and equipment and future income taxes. They do not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other public companies.

Operating activities

During fiscal 2011, net cash from store operations reached $618.9 million, up $128.1 million from fiscal year 2010 mainly due to higher net earnings.

Investing activities

During fiscal 2011, we acquired 47 company-operated stores for a total amount of $38.5 million and disbursed a total of $202.5 million for capital expenditures. Capital expenditures were primarily for the replacement of equipment in some of our stores to enhance their offering of products and services, the addition of new stores as well as the ongoing improvement of our network.

Financing activities

During fiscal 2011, we proceeded to the early redemption of our subordinated unsecured debt amounting to $332.6 million. Other long-term borrowings increased $132.7 million to, amongst other things, pay for part of the redemption of our subordinated unsecured debt. Finally, we paid $69.1 million under our share repurchase program and $32.8 million in dividends.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual cash obligations as at April 24, 2011 [1]:

	2012	2013	2014	2015	2016	Thereafter	Total
	(in millions of US dollars US)						
Long-term debt [2]	0.3	486.3	0.4	0.4	0.4	2.1	**489.9**
Capital lease obligations	6.8	28.9	2.4	1.6	1.1	0.4	**41.2**
Operating lease obligations	248.4	232.6	210.4	196.0	181.3	1,385.5	**2,454.2**
Total	255.5	747.8	213.2	198.0	182.8	1,388.0	**2,985.3**

(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 24, 2011, our long-term debt reached $526.4 million, the details of which are as follows:

i) Borrowings of $486.0 million under term revolving unsecured operating credits. The weighted average effective interest rate is 0.75% as at April 24, 2011. Standby letters of credit in the amount of CA$0.6 million and $29.4 million were outstanding as at April 24, 2011.

ii) Other long-term debts of $40.4 million, including some obligations under capital leases.

Capital Lease Obligations. Some capital leases were assumed in connection with certain acquisitions and we had to assume some more capital leases during the previous fiscal years. These obligations and related assets are included in our consolidated balance sheets.

Operating Lease Obligations. We lease an important portion of our real estate using conventional operating leases. 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, with options to renew. These obligations and related assets are not included in our consolidated balance sheets. Under certain of the store leases, we are subject to additional rentals based on store revenues as well as future escalations in the minimum lease amount.

Contingencies. In the normal course of business, we are involved in many legal disputes and claims regarding the manner in which we conduct our business. We believe that such claims and disputes are unfounded. It is our opinion that any disbursement resulting from such proceedings will not significantly impact the Corporation's results and financial position.

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.

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.

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 2006 or 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. This information was prepared in accordance with Canadian GAAP and is reported in US dollars.

(In millions of US dollars except for per share data)	**52-week period ended April 24, 2011**				52-week period ended April 25, 2010			
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	**4,841.1**	**5,611.2**	**4,240.7**	**4,272.9**	4,003.5	4,935.2	3,825.8	3,675.1
Earnings before depreciation and amortization of property and equipment and other assets, financial expenses and income taxes	**136.3**	**169.1**	**199.7**	**229.7**	150.5	141.3	176.4	178.4
Depreciation and amortization of property and equipment and other assets	**51.5**	**67.0**	**49.8**	**48.0**	49.4	63.2	46.9	45.0
Operating income	**84.8**	**102.1**	**149.9**	**181.7**	101.1	78.1	129.5	133.4
Financial expenses	**2.0**	**10.0**	**7.4**	**6.9**	7.4	8.6	7.0	6.9
Net earnings	**64.0**	**71.0**	**105.6**	**129.5**	68.8	54.8	88.2	91.1
Net earnings per share								
Basic	**$0.35**	**$0.38**	**$0.57**	**$0.70**	$0.37	$0.30	$0.48	$0.49
Diluted	**$0.34**	**$0.38**	**$0.56**	**$0.69**	$0.37	$0.29	$0.47	$0.48

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

Analysis of consolidated results for the fiscal year ended April 25, 2010

Revenues

Our revenues amounted to $16.4 billion in fiscal 2010, up $658.5 million, an increase of 4.2%, chiefly attributable to a $796.0 million increase in sales due to acquisitions, the $194.0 million positive impact of the stronger Canadian dollar and the growth of merchandise revenues and motor fuel volume in both the United States and Canada. The factors contributing to the increase were partially offset by a decrease of $763.0 million in motor fuel sales due to lower average retail prices.

More specifically, the growth of merchandise and service revenues for fiscal 2010 was $465.1 million or 8.6%, of which $206.0 million was generated by acquisitions and $102.0 million by a stronger Canadian dollar. Internal growth, as measured by the growth in same-store merchandise revenues, was 2.9% in the United States partly due to the higher retail price of tobacco products as a result of higher taxes on these products, while it stood at 4.8% in Canada. These performances were satisfactory considering the difficult economic context at that time and reflected our business units' ability to put forward a product mix allowing them to maintain revenues despite such economic conditions.

Motor fuel revenues increased by $193.4 million or 1.9% in fiscal 2010, of which $589.0 million or 220.8 million gallons stemmed from acquisitions, which further added to the $92.0 million increase in revenues from the appreciation of the Canadian dollar against its US counterpart. Same-store motor fuel volume grew by 1.0% in the United States and 3.0% in Canada. Revenues dropped by $763.0 million due to a lower average retail price at the pump, as shown in the following table:

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 25, 2010					
United States (US dollars per gallon)	2.41	2.48	2.59	2.71	**2.55**
Canada (CA cents per litre)	88.80	89.24	90.00	92.36	**90.07**
52-week period ended April 26, 2009					
United States (US dollars per gallon)	3.91	3.67	2.00	1.95	**2.78**
Canada (CA cents per litre)	122.66	114.37	78.05	78.67	**95.63**

Gross profit

The consolidated merchandise and service gross margin was 33.1% in fiscal 2010. In the United States, the gross margin was 32.8%, the same as fiscal 2009. In Canada, the margin fell 0.6% to 33.7% due to a larger portion of cigarette sales in the product mix, which put downward pressure on the percent margin while remaining positive in absolute dollars given the increase in terms of units sold. Additionally, the margin for fiscal 2010 in Canada compared to that of fiscal 2009 which benefited from non recurring adjustments related to obligations towards dealers in the Western Canada division as well as from retroactive adjustments to certain suppliers rebates. Finally, in both the United States and Canada, revenues and gross margin reflected Couche-Tard's merchandising strategy in tune with market competitiveness and economic conditions within each market as well as improved supply terms.

The motor fuel gross margin for our company-operated stores in the United States dropped 3.04¢ per gallon, from 17.55¢ per gallon in fiscal 2009 to 14.51¢ per gallon in fiscal 2010, a 17.3% decrease. In Canada, the gross margin rose to CA5.31¢ per litre compared with CA4.97¢ per litre in fiscal 2009. Contrary to the average motor fuel margin in fiscal 2009 which was unusually high in the United States, the margin for fiscal 2010 was closer to expectations based on historical margins. The motor 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 ending April 26, 2009, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	**Weighted average**
52-week period ended April 25, 2010					
Before deduction of expenses related to electronic payment modes	15.43	15.78	12.88	14.42	**14.51**
Expenses related to electronic payment modes	3.56	3.79	3.85	4.14	**3.83**
After deduction of expenses related to electronic payment modes	11.87	11.99	9.03	10.28	**10.68**
52-week period ended April 26, 2009					
Before deduction of expenses related to electronic payment modes	15.55	24.88	18.21	11.38	**17.55**
Expenses related to electronic payment modes	5.07	4.94	3.15	3.10	**3.96**
After deduction of expenses related to electronic payment modes	10.48	19.94	15.06	8.28	**13.59**

Operating, selling, administrative and general expenses

For fiscal 2010, operating, selling, administrative and general expenses increased by 3.1% compared with fiscal 2009. These expenses increased by 4.8% and 1.6%, respectively because of acquisitions and the appreciation of the Canadian dollar, while they decreased by 0.8% due to the non recurring gain on disposal of Casey's shares and by 0.2% due to the reversal of provisions following our final analysis. Excluding these items, expenses decreased by 2.1%. Moreover, excluding expenses related to electronic payment modes for both comparable periods as well as the non recurring gain related to Casey's and the reversal of certain provisions posted in fiscal 2010, expenses in proportion to merchandise and services sales represented 29.8% of sales during fiscal 2010, compared to 31.1% in fiscal 2009.

This excellent performance reflected our prudent management of controllable expenses as well as sustainable cost reduction measures we had put in place. This performance was quite satisfactory, especially considering that expenses, in proportion of merchandise and service revenues, had decreased for a fifth consecutive quarter, without affecting the service we offer our clients.

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

EBITDA was $646.6 million, up 10.0% compared with fiscal 2009. Acquisitions accounted for $28.1 million of this amount.

It should be noted that EBITDA is not a performance measure defined by Canadian GAAP, but we, as well as investors and analysts, use this measure to evaluate the Corporation's financial and operating performance. Note that our definition of this measure may differ from the one used by other public companies:

(in millions of US dollars)	52-week periods ended	
	April 25, 2010	April 26, 2009
Net earnings, as reported	**302.9**	253.9
Add:		
Income taxes	**109.3**	114.7
Financial expenses	**29.9**	36.2
Depreciation and amortization of property and equipment and other assets	**204.5**	183.0
EBITDA	**646.6**	587.8

Depreciation and amortization of property and equipment and other assets

For fiscal year 2010, the depreciation expense increased due to the investments made through acquisitions, replacement of equipment and the ongoing improvement of our network.

Financial expenses

Financial expenses were down $6.3 million compared with fiscal 2009. This decrease was chiefly the result of the reduction in our average interest rates.

Income taxes

The income tax rate for fiscal year 2010 was 26.5% compared to 31.1% for fiscal 2009. The rate decrease reflected the corporate reorganization put in place during the previous fiscal year as well as rate adjustments from the comparison of estimated income tax expense to the actual income tax expense following preparation of income tax returns for fiscal 2009.

Net earnings

We closed fiscal 2010 with net earnings of $302.9 million, which equaled $1.64 per share or $1.60 per share on a diluted basis compared with $253.9 million for the previous year ($1.29 per share on a diluted basis), an increase of $49.0 million or 19.3%, despite the impact of the 3.04¢ per gallon decrease in the motor fuel gross margin in the United States which corresponded to a drop of approximately $75.0 million ($0.40 per share on a diluted basis) in net earnings. With respect to the gain on disposal of Casey's shares and the reversal of non recurring provisions, they respectively accounted for an increase of net earnings of $0.06 and $0.02 per share on a diluted basis. Excluding these items, net earnings would have been $287.9 million or $1.52 per share on a diluted basis, which corresponded to an increase of $34.0 million or 13.4%. As for the stronger Canadian dollar, it had a favourable impact on net earnings of $1.5 million.

Internal Controls

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We undertake ongoing evaluations of the effectiveness of internal controls over financial reporting and implement control enhancements, when appropriate. As at April 24, 2011, our management and our external auditors reported that these internal controls were effective.

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.

Critical Accounting Policies and Estimates

Estimates. This MD&A is based on our consolidated financial statements, which have been prepared in accordance with Canadian GAAP. These principles require us to make certain estimates and assumptions that affect our financial position and results of operations as reflected in our financial statements. On an ongoing basis, we review our estimates, including those relating to supplier rebates, environmental costs, income taxes, lease accounting and asset retirement obligations based on available information. These estimates are based on our best knowledge of current events and actions that the Corporation may undertake in the future. Actual results may differ from the estimates.

Inventory. Our inventory is comprised mainly of products purchased for resale including tobacco products, grocery items, beverages, packaged and fresh food products, other products and services and motor fuel. Inventories are valued at the lesser of cost and net realizable value. Cost of merchandise - distribution centres is determined according to the first-in first-out method, the cost of merchandise - retail is valued based on the retail price less a normal margin and the cost of motor fuel inventory is determined according to the average cost 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 the estimated undiscounted future cash flows generated by their use and eventual disposal. 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 impairement 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 Intagibles 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, we use 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 intangibles may be overstated. Our annual impairment test is performed in the first quarter of each fiscal year.

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

In each of the U.S. states in which we operate, with the exception of Michigan, Iowa, Florida, Arizona, Texas and Washington State, there is a state fund to cover the cost of certain environmental remediation activities after applicable trust fund deductible is met, which varies by State. These state funds provide insurance for motor fuel facilities operations to cover some of the costs of cleaning up certain contamination to the environment caused by the usage of underground motor fuel equipment. Underground motor fuel storage tank registration fees and/or a motor 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. Future 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. Future 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 future 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 future 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.

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 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 by third-party insurance in our United States operations, except in certain states where we are self-insured. With respect to the third-party insurance in the United States, independent actuarial estimates of the aggregate liabilities for claims incurred serve as a basis for our share of workers' compensation losses.

Recently Issued Accounting Standards

On February 13, 2008, the Accounting Standards Board (“AcSB”) issued a news release confirming that publicly accountable enterprises will be required to apply International Financial Reporting Standards (“IFRS”) in 2011. We will therefore adopt IFRS on April 25, 2011.

Since we will adopt IFRS on April 25, 2011, new Canadian GAAP standards that will be effective on or after that date are not disclosed as future accounting changes because we will not apply them.

Business Risks

Couche-Tard is constantly looking to control and improve its 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 above section and their financial impact.

Motor fuel. We are sensitive to the changes in the motor fuel retail price and gross margin. Factors beyond our control such as changing supply terms, motor fuel price fluctuations due, amongst other things, to general political and economic conditions, as well as the market’s limited ability to absorb motor fuel retail price fluctuations are all factors that could influence the motor fuel retail price and related gross margin. During fiscal 2011, motor fuel sales accounted for approximately 67.0% of our total revenue, yet the motor fuel gross margin represented only about 25.0% of our overall gross profits. In fiscal 2011, a change of one cent per gallon would have resulted in a change of approximately $41.4 million in the motor fuel gross profit, with a corresponding impact on net earnings of $0.17 per share on a diluted basis for company-operated stores. To react as promplty as possible to motor fuel retail price fluctuations, we implemented a price management policy and entered into commercial agreements that guarantee supply consistency to a certain extent.

Electronic payment modes. We are exposed to significant fluctuations in expenses related to electronic payment modes resulting from large increases in motor 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 motor fuel. For example, for fiscal 2011, for each ten-cent increase in the retail price of a gallon of motor fuel, the expense associated with electronic payment modes would have increased by approximately $5.6 million, with a corresponding impact on net earnings of $0.02 per share on a diluted basis. We regularly analyze various opportunities that would allow us to mitigate the risks associated with expenses related to electronic payment modes.

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. Accordingly, we keep apprised of client needs and maintain an innovative approach to marketing and promotional campaigns. We have operations in the Southeast and Westcoast regions of the United States and although these regions are generally known for their mild weather, these regions are susceptible to severe storms including hurricanes as well as earthquakes in the Westcoast region and other natural disasters.

Economic conditions. Our revenues may be negatively influenced by changes in regional 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. While it is not feasible to determine the breadth or length of recessions, we adjust our merchandising strategies to economic conditions and promote constant innovation in commercial practices while maintaining tight control over our expenses and balance sheet.

Tobacco products. Tobacco products represent our largest product category of merchandise and service revenues. For fiscal 2011, revenues of tobacco products were approximately 43.0% of total merchandise and service revenues. Significant increases in wholesale cigarette costs and a tax increase on tobacco products, as well as current and future legislation and national and local campaigns to discourage smoking in the United States and Canada, may have an adverse effect on the demand for tobacco products, and therefore reduce 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 the Corporation on an exclusive basis and we could be sued for health problems caused by the use of tobacco products. In fact, various health-related legal actions, proceedings and claims arising out of the sale, distribution, manufacture, development, advertising and marketing of cigarettes have been brought against vendors of tobacco products. Any unfavourable verdict against us in an health-related suit could adversely affect our financial condition and ability to pay interest and principal on our debts. As per 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, local pharmacies and pharmacy chains. Over the years, we expanded our network by selecting choice locations while developing an expertise in our market niche, namely by investing in the improvement of our stores, further supported by merchandising strategies tailored to our various markets. These strategies are driven by a diversified selection of proprietary brand products, loyalty progams for clients as well as special focus on customer service in order to secure a competitive advantage. Accordingly, we keep a close eye on competitors, changes in market trends and our market share towards reacting in a timely manner and maintaining our competitive position. We believe the choice location of our stores make it more difficult for new competitors to penetrate our markets.

Environment. Our operations are subject to a variety of environmental laws and regulations, including those relating to emissions to the air, discharges into water, releases of hazardous and toxic substances and remediation of contaminated sites. Under various federal, 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 stores or our former stores, whether or not we knew of, or were responsible for, the presence of such contamination. In this respect, we proactively seek means to limit the environmental impact of our activities and adopt sustainable processes. We regularly monitor our facilities for environmental contamination and take reserves on our financial statements to cover potential environmental remediation and compliance costs, as we consider appropriate.

In each of the US states in which we operate, except Michigan, Iowa, Florida, Arizona, Texas and Washington State, there is a state fund to cover the cost of certain rehabilitation and removing of motor fuel tanks. These state funds provide insurance for motor fuel facilities operations to cover the cost of cleaning up contamination to the environment caused by the usage of underground motor fuel equipment. Underground motor fuel storage tank registration fees and a motor fuel tax in each of the states finance the trust funds. We pay the registration fees and remit the sales taxes to the states where we are a member of the trust fund. Insurance coverage is different in the various states.

Acquisitions. Acquisitions have been a significant part of our growth strategy. We expect to continue to selectively seek strategic acquisitions in the future. Our ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to us may be limited by the number of attractive acquisition targets, internal demands on our resources and, to the extent necessary, our ability to obtain financing on satisfactory terms for larger acquisitions, if at all. Although we have historically performed a due diligence investigation of the businesses or assets that we acquire and anticipate continuing to do so for future acquisitions, there may be liabilities of the acquired business or assets that we fail or are unable to uncover during our due diligence investigation and for which we, as a successor owner, may be responsible. When feasible, we seek to minimize the impact of these types of potential liabilities by obtaining indemnities and warranties from the seller, which may in some instances be supported by deferring payment of a portion of the purchase price.

Legislative and regulatory requirements. Our business and properties are subject to governmental laws and regulations including, but not limited to, employment laws and regulations, regulations governing the sale of alcohol and tobacco, minimum wage requirements and other laws and regulations such as applicable tax laws and regulations. Any change in the legislation or regulations described above that is adverse to our properties and us could affect our operating and financial performance.

Interest rates. The Corporation is exposed to interest rate fluctuations associated with changes in the short-term interest rate. We carry a debt, a portion of which bears interest at floating rates. By applying interest rates as they were in effect on April 24, 2011 to our current debt, our total interest expense would be approximately $6.0 million. A one-percentage point increase in interest rates would increase our total annual interest expense by $4.9 million or $0.02 per share on a diluted basis. We do not currently use derivative instruments to mitigate this risk. However, we regularly analyze our interest rate exposure. Various scenarios are simulated, including refinancing, the renewal of existing positions, alternative loans and hedges as well as our ability to deal with interest rate fluctuations.

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

On an ongoing basis, we monitor rolling forecasts of our liquidity reserve on the basis of expected cash flows taking into account operating needs, tax situation and capital requirements and ensure that we have sufficient flexibility under our available liquidity resources to meet our obligations. As at April 24, 2011, $1.0 billion are available under our credit facilities of which approximatly $485.0 million were unused. These credit facilities will mature in September 2012.

Lawsuits. In the ordinary course of business, Couche-Tard is a defendant in a number of legal proceedings, suits, and claims common to companies engaged in retail business. We mitigate this risk through available insurance coverage, among others. We regularly monitor lawsuits and create reserves, as needed, in our financial results to cover potential estimated cost.

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. 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. To cover the potential cost of this risk, we provide reserves, as needed, in our financial statements for the portion of losses that is uninsured or whose deductible is very high.

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 impact our revenues, operating results and financial situation.

Exchange rate. Most of our consolidated revenues and expenses are received or denominated in the functional currency of the markets in which we do business. Accordingly, our sensitivity to variations in foreign exchange rates is economically limited.

We are also exposed to foreign currency risk with respect to a portion of our long-term debt denominated in US dollars. As at April 24, 2011, everything else being equal, a hypothetical strengthening (weakening) of 5.0% of the US dollar against the Canadian dollar would have had a favourable (unfavourable) net impact of $17.2 million on Other comprehensive income.

International Standards

In February 2008, Canadian Accounting Standards Board (AcSB) of the Canadian Institute of Chartered Accountants announced that the use of International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) will be required for publicly accountable profit-oriented enterprises starting in 2011. For those enterprises, IFRS will replace General Accepted Accounting Principles currently in effect in Canada (GAAP). IFRS uses a conceptual framework similar to GAAP, but there are differences in recognition, measurement and presentation standards.

These new standards are applicable to fiscal years beginning on or after January 1st, 2011. Corporations will be required to provide comparative IFRS information for the previous fiscal year. Starting in the first quarter of our fiscal year 2012, we will publish consolidated financial statements prepared in accordance with IFRS.

We have developed a plan to convert our Consolidated Financial Statements to IFRS. We have a dedicated project manager to lead the conversion to IFRS. Our external auditors are notified of our choices and consulted on them. Our Audit Committee ensures that management fulfills its responsibilities and successfully accomplishes the changeover to IFRS while we continue to provide training to key employees. Changes in accounting policies are likely and could impact our consolidated financial statements.

The principal phases, actions, timetables and progress of our transition plan are outlined in the following table:

Phase 1: Preliminary Analysis and Diagnostic

Action	o Identification of the IFRS standards that will require accounting and disclosure changes in consolidated financial statements. o Rank standards based on their anticipated impact on our consolidated financial statements and the required efforts for their implementation.
Timetable	End of fiscal 2008
Progress	Completed

Phase 2: Analysis of Standards

Action	o Analysis of the differences between Canadian GAAP and IFRS. o Selection of the accounting policies that the Corporation will apply on an ongoing basis. o Corporation's selection of IFRS 1 exemptions at the date of transition. o Calculation of the quantitative impacts on the consolidated financial statements. o Disclosure analysis. o Preparation of draft consolidated financial statements and notes. o Preparation of the consolidated opening balance sheet at the date of transition. o Identification of the collateral impacts in the following areas: ▪ information technology; ▪ internal control over financial reporting; ▪ disclosure controls and procedures; ▪ contracts; ▪ compensation; ▪ taxation; ▪ training. o Presentation, to our auditors, of our conclusions on consolidated balance sheet as of transition date (opening balance sheet) and draft consolidated financial statements and notes .
Timetable	End of November 2010
Progress	Completed

Phase 3: Implementation

Action	o Compilation of the comparative financial data. o Production of the interim consolidated financial statements and the associated disclosure. o Production of the annual consolidated financial statements and the associated disclosure. o Implementation of changes regarding collateral impacts.
Timetable	o Fiscal 2011: opening balance sheet, comparative financial data under IFRS and changes regarding collateral impacts. o During fiscal 2012, we will produce our interim and annual consolidated financial statements and disclosure in accordance with IFRS.
Progress	Ongoing

Preliminary estimated impact of the conversion

The information below provides an overview of the preliminary impacts on the Corporation's consolidated financial statements. Readers are cautioned that it may not be appropriate to use such information for any other purpose and that this information is subject to change. The IASB is actually in the process of reviewing multiple IFRS standards. Our analysis of the changes and decisions to be made concerning our accounting policies was done using accounting standards presently in effect. The following tables present the preliminary impact of the differences between Canadian GAAP and IFRS on the opening balance sheet as at April 26, 2010, the balance sheet as at April 24, 2011 and earnings for fiscal year 2011.

Exceptions related to first adoption

Upon transition, IFRS 1 imposes certain mandatory exceptions and permits certain exemptions from full retrospective application. The Corporation has applied the mandatory exceptions and the following optional exemptions:

Mandatory exceptions applied by the Corporation:

- Financial assets and liabilities that had been de-recognized before January 1, 2004 under Canadian GAAP have not been recognized under IFRS.

- The Corporation has only applied hedge accounting in the opening balance sheet where all the requirements in IAS 39 were met at the date of transition.

- The estimates previously established under Canadian GAAP have not been revised following the adoption of IFRS, unless it was necessary to take into account differences in accounting policies.

Other optional exemptions adopted by the Corporation:

- The Corporation has elected not to apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition (April 26, 2010), including business acquisitions done by the joint venture. See note g to obtain an explanation of the effect of this exemption.

- For all its employee future benefits plans, the Corporation has elected to recognize all cumulative actuarial gains and losses existing at the transition date to retained earning. See note d to obtain an explanation of the effect of this exemption.

- The Corporation has elected not to retrospectively recognize the effect on the assets of the variances related to its existing asset retirement obligations and similar liabilities, which may have occurred before the transition date.

- The Corporation elected to use facts and circumstances existing as at April 26, 2004 to determine whether an arrangement contains a lease. The arrangements signed after that date and evaluated under Canadian GAAP were not analysed in details since this analysis would give similar conclusions as per IAS 17 and IFRIC 4.

- The Corporation elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after April 29, 2002 that had not vested by the Transition Date.

- The Corporation elected to reset all cumulative translation gains and losses to zero in opening retained earnings at the transition date. See note i to obtain an explanation of the effect of this exemption.

Reconciliation of Consolidated Balance Sheet and Shareholders' Equity as at April 26, 2010

		Reconciling items with IFRS								
Explanatory notes	Balance sheet under Canadian GAAP	Sale and leaseback transactions a)	Discounting of provisions b)	Onerous contracts c)	Employee future benefits d)	Stock option e)	Joint venture f)	Presentation differences h)	Cumulative translation adjustment reversal i)	Balance sheet under IFRS
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Assets										
Current assets										
Cash and cash equivalents	**220.9**						(5.2)			**215.7**
Accounts receivable	**286.2**						(5.4)			**280.8**
Inventories	**474.1**						(4.2)			**469.9**
Prepaid expenses	**20.2**						(0.2)			**20.0**
Income taxes receivable	**4.7**							13.0		**17.7**
Deferred income taxes	**24.9**							(24.9)		**-**
	1,031.0	-	-	-	-	-	(15.0)	(11.9)	-	**1,004.1**
Property and equipment	**1,980.5**						(65.6)			**1,914.9**
Goodwill	**426.5**						(1.2)			**425.3**
Intangible assets	**188.2**									**188.2**
Investment in a joint venture	**-**						42.1			**42.1**
Other assets	**65.2**		(1.1)		(8.3)					**55.8**
Deferred income taxes	**5.3**			0.2	3.0			0.1		**8.6**
	3,696.7	-	(1.1)	0.2	(5.3)	-	(39.7)	(11.8)	-	**3,639.0**
Liabilities										
Current liabilities										
Accounts payable and accrued liabilities	**872.9**	(0.1)					(14.2)	(36.9)		**821.7**
Provisions	**-**							31.4		**31.4**
Current portion of long-term debt	**4.4**									**4.4**
Deferred income taxes	**5.6**		0.2		(3.0)			(2.8)		**-**
	882.9	(0.1)	0.2	-	(3.0)	-	(14.2)	(8.3)	-	**857.5**
Long-term debt	**736.8**						(24.9)			**711.9**
Provisions	-		(3.4)	0.8				90.3		**87.7**
Deferred credits and other liabilities	**285.8**	(98.6)			13.2		(0.6)	(71.8)		**128.0**
Deferred income taxes	**176.9**	38.4	0.6					(22.0)		**193.9**
	2,082.4	(60.3)	(2.6)	0.8	10.2	-	(39.7)	(11.8)	-	**1,979.0**
Shareholders' equity										
Capital stock	**319.5**									**319.5**
Contributed surplus	**18.8**					1.6				**20.4**
Retained earnings	**1,167.0**	60.3	1.5	(0.6)	(15.5)	(1.6)			108.6	**1,319.7**
Accumulated other comprehensive income	**109.0**								(108.6)	**0.4**
	1,614.3	60.3	1.5	(0.6)	(15.5)	-	-	-	-	**1,660.0**
	3,696.7	-	(1.1)	0.2	(5.3)	-	(39.7)	(11.8)	-	**3,639.0**

Reconciliation of Consolidated Balance Sheet and Shareholders' Equity as at April 24, 2011

		Reconciling items with IFRS								
Explanatory notes	Balance sheet under Canadian GAAP	Sale and leaseback transactions a)	Discounting of provisions b)	Employee future benefits d)	Stock option e)	Joint venture e)	Business combinations - acquisition costs g)	Presentation differences h)	Cumulative translation adjustment reversal i)	Balance sheet under IFRS
	$	$	$	$	$	$	$	$	$	$
Assets										
Current assets										
Cash and cash equivalents	**320.4**					(10.7)				**309.7**
Accounts receivable	**356.1**					(6.9)	(0.1)			**349.1**
Inventories	**530.7**					(4.7)				**526.0**
Prepaid expenses	**21.3**					(0.3)				**21.0**
Income taxes receivable	**26.6**							9.8		**36.4**
Deferred income taxes	**33.9**		(0.2)	2.8				(36.5)		**-**
	1,289.0	-	(0.2)	2.8	-	(22.6)	(0.1)	(26.7)	-	**1,242.2**
Property and equipment	**2,002.8**					(67.2)	(0.2)			**1,935.4**
Goodwill	**442.5**					(1.1)	(0.5)			**440.9**
Intangible assets	**188.6**									**188.6**
Investment in a joint venture	-					48.2				**48.2**
Other assets	**66.9**		(0.8)	(7.9)		(0.2)				**58.0**
Deferred income taxes	**9.8**			2.9						**12.7**
	3,999.6	-	(1.0)	(2.2)	-	(42.9)	(0.8)	(26.7)	-	**3,926.0**
Liabilities										
Current liabilities										
Accounts payable and accrued liabilities	**994.5**	(0.2)				(17.5)		(40.3)		**936.5**
Provisions	**-**							36.3		**36.3**
Current portion of long-term debt	**4.6**									**4.6**
Deferred income taxes	**21.2**							(21.2)		-
	1,020.3	(0.2)	-	-	-	(17.5)	-	(25.2)	-	**977.4**
Long-term debt	**521.8**					(24.9)				**496.9**
Provisions	**-**		(3.3)					92.0		**88.7**
Deferred credits and other liabilities	**299.0**	(95.6)		13.0		(0.5)		(78.2)		**137.7**
Deferred income taxes	**222.4**	37.2	0.7				(0.3)	(15.3)		**244.7**
	2,063.5	(58.6)	(2.6)	13.0	-	(42.9)	(0.3)	(26.7)	-	**1,945.4**
Shareholders' equity										
Capital stock	**323.8**									**323.8**
Contributed surplus	**18.1**				1.2					**19.3**
Retained earnings	**1,444.5**	58.5	1.6	(15.2)	(1.2)	-	(0.5)		108.6	**1,596.3**
Accumulated other comprehensive income	**149.7**	0.1							(108.6)	**41.2**
	1,936.1	58.6	1.6	(15.2)	-	-	(0.5)	-	-	**1,980.6**
	3,999.6	-	(1.0)	(2.2)	-	(42.9)	(0.8)	(26.7)	-	**3,926.0**

Reconciliation of Consolidated Statement of Earnings for the period ended April 24, 2011

		Reconciling items with IFRS								
Explanatory notes	Statement of earnings under Canadian GAAP	Sale and leaseback transactions a)	Discounting of provisions b)	Onerous contracts c)	Employee future benefits d)	Stock option e)	Joint venture f)	Business combinations - acquisition costs g)	Presentation differences h)	Statement of earnings under IFRS
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenues	**18,965.9**						(415.5)			**18,550.4**
Cost of sales (excluding depreciation and amortization of property and equipment and other assets as shown separately below)	**16,180.7**						(376.0)			**15,804.7**
Gross profit	**2,785.2**	-	-	-	-	-	(39.5)	-	-	**2,745.7**
Operating, selling, administrative and general expenses	**2,050.4**	3.0	(0.9)	(0.8)	(0.6)	(0.4)	(18.1)	0.8	(4.5)	**2,028.9**
Depreciation and amortization of property and equipment and other assets	**216.3**						(2.6)			**213.7**
Operating income	**518.5**	(3.0)	0.9	0.8	0.6	0.4	(18.8)	(0.8)	4.5	**503.1**
Share of earnings of a joint venture accounted for using the equity method	**-**						16.9			**16.9**
Financial expenses	**37.6**		0.7				(1.9)		4.5	**40.9**
Finance revenues	**(11.3)**									**(11.3)**
Net financial expenses	**26.3**	-	0.7	-	-	-	(1.9)	-	4.5	**29.6**
Earnings before income taxes	**492.2**	(3.0)	0.2	0.8	0.6	0.4	-	(0.8)	-	**490.4**
Income taxes	**122.1**	(1.2)	0.1	0.2	0.3			(0.3)		**121.2**
Net earnings	**370.1**	(1.8)	0.1	0.6	0.3	0.4	-	(0.5)	-	**369.2**

Explanatory notes related to the reconciliations

a) Deferred gains on sale and leaseback recognition

Under Canadian GAAP: CICA Handbook Section 3065 *"Leases"* required that any profit or loss arising from a sale and leaseback transaction be deferred and amortized over the lease term. A loss was recognized to earnings immediately when, at the time of the transaction, the fair value of the property was less than its carrying value.

Under IFRS: IAS 17 *"Leases"* requires the immediate recognition of all profits or losses arising from a sale and leaseback transaction except if:

- the sale price is below fair value and the loss is compensated for by future lease payments below market price, in which case it shall be deferred and amortized in proportion to the lease payments over the period during which the asset is expected to be used;

- the sale price is above fair value, in which case the excess shall be deferred and amortized over the period during which the asset is expected to be used.

Considering this difference, the Corporation analyzed all deferred gains existing at the transition date. When the transactions were concluded at fair value, the deferred gains in the balance sheet at the transition date were reversed and recognized to retained earnings. The amortization of the deferred gains recognized in 2011 was reversed and all deferred gains from sale and leaseback transactions realized in 2011 were reclassified and recognized directly to earnings.

b) Discounting of provisions

Under Canadian GAAP: The only provision that needed to be discounted was the asset retirement obligation provision and changes in the discount rate were not applied retroactively.

Under IFRS: IAS 37 *"Provisions, contingent liabilities and contingent assets"* states that where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

Considering this difference, the Corporation reviewed all provisions recorded in its balance sheet at the transition date and discounted those for which the time value of money had a significant impact. This resulted in the reduction of the provision balances in the balance sheet at the transition date. For fiscal 2011, new expenses recognized to earnings related to these provisions have been reduced to reflect their discounting and an accretion expense has been recorded in earnings.

c) Onerous contracts

Under Canadian GAAP: Provisions were not recognized for onerous contracts.

Under IFRS: As per IAS 37 *"Provisions, contingent liabilities and contingent assets",* if an entity has a contract that is onerous, the present obligation under the contract shall be recognized and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

Considering this difference, the Corporation has reviewed it existing contracts at the transition date to identify onerous contracts. This resulted in the recognition of a provision for onerous contracts as at April 26, 2010. This provision is recognized to earnings and reversed as the contracts progress. This has led to a decrease in Operating, selling, administrative and general expenses of fiscal 2011 following the amortization of the provision.

d) Employee future benefits

i) Actuarial gains and losses

Under Canadian GAAP: Under CICA Handbook Section 3461 *"Employee future benefits"*, for a defined benefit plan, an entity had to use the "corridor" approach and recognize amortization of actuarial gains and losses in a period in which, as of the beginning of the period, the unamortized net actuarial gain or loss exceeded ten percent of the greater of:

a) the accrued benefit obligation at the beginning of the year; and

b) the fair value, or market-related value, of plan assets at the beginning of the year.

Under IFRS: As per IAS 19 *"Employee benefits",* an entity may choose to use the corridor approach involving the non-recognition of a portion of the actuarial gains or losses, or elect to recognize actuarial gains or losses directly to equity.

The Corporation has decided to retain its current accounting method, the corridor approach. This decision has no impact on the opening balances of the balance sheet at the transition date. However, using IFRS 1, a first-time adopter may elect to recognize all cumulative actuarial gains and losses at the date of transition to IFRS, even if the corridor approach is used for later actuarial gains and losses. Therefore, the Corporation elected to reverse unamortized actuarial gains and losses to retained earnings on April 26, 2010. The amortization amount of the actuarial losses for fiscal 2011 was calculated considering the IFRS adjusted balances and the amortization amount recognized to earnings under Canadian GAAP was reversed.

ii) Past service costs

Under Canadian GAAP: Under CICA Handbook Section 3461 *"Employee future benefits"*, an entity amortized past service costs arising from a plan initiation or amendment by assigning an equal amount to each remaining service period up to the full eligibility date of each employee active at the date of the plan initiation or amendment who was not yet fully eligible for benefits at that date.

Under IFRS: As per IAS 19 *"Employee benefits",* an entity shall recognise past service costs as an expense on a straight-line basis over the average period until the benefits become vested.

Considering this difference, the Corporation reversed fully vested unamortized past service costs to retained earnings on April 26, 2010. The amortization amount of the past service costs for fiscal 2011 was calculated considering the IFRS adjusted balances and the amortization amount recognized to earnings under Canadian GAAP was reversed.

e) Stock-based compensation

Under Canadian GAAP: CICA Handbook Section 3870 *"Stock-based compensation and other stock-based payments*" stated that, when stock-based awards granted vest gradually, it was possible to recognize the compensation cost using the straight-line method when a method different than the gradual vesting method was used in calculating the fair value. As the Corporation was not anticipating any significant difference between the expected lives of each group of options, the straight-line method was previously used.

Under IFRS: IFRS 2 *"Share-based payment*", does not provide such an exception. Thus, when options granted vest gradually, an entity must consider each portion as a distinct grant and amortize the corresponding expense distinctly for each portion.

Considering this difference, the Corporation modified its expense amortization model related to stock option vesting to consider the different dates of rights acquisition and stopped using the straight-line method. The total cumulative additional expense that should have been recorded from the inception of the plans as at April 26, 2010 based on IFRS was recorded to retained earnings. The expense recognized to earnings in 2011 under Canadian GAAP has been adjusted to reflect the difference between the two amortization methods.

f) Joint Venture

Under Canadian GAAP: CICA Handbook Section 3055 *"Interests in Joint Ventures"* required the proportionate consolidation method. It did not allow the use of the equity method to account for investments in joint ventures.

Under IFRS: IAS 31 *"Interests in Joint Ventures"* offers the possibility of applying either the equity method or the proportionate consolidation method to investments in joint ventures.

Considering this difference, the Corporation opted to record its investment in RDK using the equity method at the IFRS transition date. Since the Corporation was using the proportionate consolidation method under Canadian GAAP to recognize its RDK investment, 50.01% of the values of all of the joint venture's accounts were included in the consolidated balance sheet and consolidated statement of earnings. These amounts have been removed through the reconciliation with IFRS. The value of the investment in the joint venture was recorded on the balance sheet under the item *Investment in a joint venture* and the Corporation's proportionate interest of RDK's income for fiscal 2011 was presented in the consolidated statement of earnings under *Share of earnings of a joint venture accounted for using the equity method*.

g) Business combinations - **Direct acquisition costs**

Under Canadian GAAP: As per previous CICA Handbook Section 1581 *"Business Combinations"* (section applicable before the IFRS transition), direct acquisition costs were part of the acquisition cost.

*Under IFR*S: As per IFRS 3 *"Business Combinations",* direct acquisition costs are recognized to earnings when they are incurred.

Since the Corporation has decided to use the exemption in IFRS 1 which allows not restating all business combinations prior to the transition date, no restatement occurred on April 26, 2010. Business combinations that occurred during fiscal 2011 were restated to reflect this difference. As a result, direct acquisition costs that occurred during fiscal 2011 were recognized to earnings on the financial statement adjusted for IFRS.

h) Presentation differences

Some amounts have been reclassified to reflect the following classification differences:

<u>Deferred income taxes:</u>

Under Canadian GAAP: As per CICA Handbook Section 3465 *"Income taxes"*, current income tax liabilities and current income tax assets had to be presented separately from non-current portions.

*Under IFR*S: As per IAS 12 *"Income taxes"*, income tax liabilities and income tax assets should all be presented under long-term assets and liabilities.

Considering IAS 12, all deferred income taxes were reclassified to long-term on the Corporation's balance sheet.

<u>Current definition</u>

Under Canadian GAAP: As per CICA Handbook Section 1510 *"Current assets and current liabilities*", current assets and liabilities included those items ordinarily realizable or payable within one year from the date of the balance sheet or within the normal operating cycle, when that was longer than a year**.**

*Under IFR*S: As per IAS 1 *"Presentation of financial statements"*, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled:

a) no more than twelve months after the reporting period, and
b) more than twelve months after the reporting period.

The definition under IFRS being more directive, this resulted in a reclassification of some long-term amounts previously presented as current on the Corporation's consolidated balance sheet.

<u>Provision presentation</u>

Under Canadian GAAP: There was no specific indication about presentation of provisions.

*Under IFR*S: IAS 1 *"Presentation of financial statements"* states in paragraph 54 l) that, as a minimum, the balance sheet shall include some items, including provisions.

Considering this difference, the current portion of provisions has been removed from *Accounts payable and accrued liabilities*, and the long-term portion has been removed from *Deferred credits and other liabilities* on the consolidated balance sheet to be presented distinctively under *Provisions*.

Accretion expense

Under Canadian GAAP: CICA Handbook Section 3110 *"Asset retirement obligations"* stated that the expense related to the passage of time had to be classified as an operating item in the income statement, not as interest expense.

*Under IFR*S: As per IFRIC 1 *"Changes in existing decommissioning, restoration and similar liabilities"*, the periodic unwinding of the discount shall be recognized in earnings as a finance cost as it occurs. Also, as per IAS 37 *"provisions, contingent liabilities and contingent assets",* where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost.

Considering this difference, accretion expense has been reclassified under Financial expenses on the Corporation's consolidated statement of earnings for fiscal 2011.

i) Reversal of the cumulative translation adjustments

Retrospective application of IFRS would require the Corporation to determine cumulative currency translation differences in accordance with IAS 21, *''The Effects of Changes in Foreign Exchange Rates''*, from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. The Corporation elected to reset all cumulative translation gains and losses to zero in opening retained earnings at its transition date.

Outlook

In the course of fiscal year 2012, we expect to pursue our investments with caution in order to, amongst other things, improve our network. Given the economic climate and its attractive access to capital, we believe to be well positioned to realize acquisitions and create value. However, we will continue to exercise patience in order to benefit from a fair price in view of current market conditions. We also intend to keep an ongoing focus on our sales, supply terms and operating expenses.

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

July 12, 2011