FISCAL YEAR 2012

ALIMENTATION COUCHE-TARD INC.

MANAGEMENT DISCUSSION & ANALYSIS

53-week period ended April 29, 2012

Management's Discussion and Analysis

The purpose of this Management's Discussion and Analysis ("MD&A") is, as required by regulators, to explain management's point of view on Alimentation Couche-Tard Inc.'s ("Couche-Tard") financial condition and results of operations as well as its performance during the fiscal year ended April 29, 2012. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader's understanding of the consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By "we", "our", "us" and "the Corporation", we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars ("US dollars") and determined on the basis of International Financial Reporting Standards ("IFRS"). We also use measures in this MD&A that do not comply with IFRS. When such measures are presented, they are defined and the reader is informed. This MD&A should be read in conjunction with the annual consolidated financial statements and related notes included in our 2012 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, is available on SEDAR at www.sedar.com and on the our website at www.couche-tard.com/corporate.

International Financial Reporting Standards

Our consolidated financial statements of fiscal year 2012 are our first annual consolidated financial statements reported under IFRS. Consequently, we have applied the requirements of IFRS 1, *First-Time Adoption of International Financial Reporting Standards*, to establish these consolidated financial statements. Unless otherwise indicated, all financial information presented in the consolidated financial statements and in this MD&A were established based on IFRS, including comparative figures which have been restated to be in accordance with IFRS.

Previously, we prepared our consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The reader must take into account the explanations of how the transition to IFRS has affected our Consolidated Statements of Earnings, Consolidated Statements of Changes in Shareholders' Equity and Consolidated Balance Sheets as provided in Note 29 of the consolidated financial statements of fiscal year 2012.

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 10, 2012, 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, we disclaim any intention or obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under "Business Risks" in our 2012 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In 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 29, 2012, our network comprises 5,803 convenience stores throughout North America, including 4,216 stores with motor fuel dispensing. At the same date, we had agreements for the supply of motor fuel to 350 sites operated by independent operators. 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. In addition, under licensing agreements, about 3,990 stores are operated under the Circle K banner in nine other countries worldwide (China, Guam, Hong Kong, Indonesia, Japan, Macau, Mexico, Vietnam and United Arab Emirates). More than 60,000 people are employed throughout our network and at the service offices in North America.

Our mission is to offer our clients a quick and outstanding service by developing a customized and friendly relationship while still finding ways to surprise them on a daily basis. In this regard, we strive to meet the demands and needs of our clientele based on their regional requirements. To do so, we offer consumers food and beverage items, 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 by improving our offering. However, despite this 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. We intend to continue in this direction.

Fiscal 2012 Overview

Net earnings amounted to $457.6 million for fiscal 2012, up 23.9% over fiscal 2011 chiefly due to the increased contribution of merchandise and service sales, the contribution from acquisitions, higher motor fuel margins, lower financial expenses, our sound management of our expenses, a pre-tax gain of $17.0 million on derivative financial instruments related to the acquisition of Statoil Fuel & Retail as well as to the $6.9 million pre-tax negative goodwill recorded to earnings of fiscal 2012. These items, which contributed to the growth in 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 as well as by the non-recurring acquisition costs recorded to earnings following the new IFRS guidelines.

It should also be noted that in fiscal 2011, following our decision not to renew our public tender offer for the acquisition of Casey's shares, we had expensed the related fees, a negative impact of $7.0 million on net earnings for fiscal 2011.

Excluding from fiscal 2012 earnings the non-recurring gains on derivative financial instruments, acquisition costs as well as the negative goodwill and excluding acquisition costs from fiscal 2011 earnings, the fiscal 2012 net earnings would have been approximately $444.7 million ($2.42 per share on a diluted basis) compared to $377.1 million ($2.00 per share on a diluted basis) for fiscal 2011, an increase of $67.6 million, or 17.9%.

Acquisition of Statoil Fuel & Retail ASA ("Statoil Fuel & Retail")

Subsequent to the end of fiscal 2012, between June 19, 2012 and June 29, 2012, we acquired 98.9% of the issued and outstanding shares of Statoil Fuel & Retail (SFR/Oslo Børs) for a cash consideration of 51.20 Norwegian Kroners ("NOK") per share for a total amount of NOK15.2 billion or approximately $2.6 billion. Having reached a shareholding of more than 90%, on June 29, 2012, in accordance with Norwegian laws, we initiated a compulsory acquisition process to buyback the participation of the remaining minority shareholders and ensure that Statoil Fuel & Retail becomes our wholly-owned subsidiary.

Statoil Fuel & Retail is a leading Scandinavian road transport fuel retailer with over 100 years of operations in the region. Statoil Fuel & Retail operates a broad retail network across Scandinavia (Norway, Sweden, Denmark), Poland, the Baltics (Estonia, Latvia, Lithuania), and Russia with approximately 2,300 stores, the majority of which offer full and convenience products while the others are automated (fuel only) stations. Statoil Fuel & Retail has a leading position in several countries where it does business and owns the land for over 900 sites and buildings for over 1,700 sites.

Statoil Fuel & Retail's other products include stationary energy, marine fuel, aviation fuel, lubricants and chemicals. In Europe, Statoil Fuel & Retail owns and operates 12 key terminals as well as 38 depots in eight countries while it also operates approximately 400 road tankers.

During its fiscal year ended December 31, 2011, Statoil Fuel & Retail recorded sales of NOK73,691 million and gross profits of NOK10,035 million, of which NOK5,103 million were from the sale of motor fuel and NOK2,815 million were from the sale of convenience products. EBITDA stood at NOK3,037 million, of which over 90% were generated by operations in Scandinavia, an economically very strong region. Net earnings of Statoil Fuel & Retail amounted to NOK1,080 million while its assets totaled NOK22,825 million as at December 31, 2011. During this same period, Statoil Fuel & Retail sold 8,416 million litres of motor fuel, recording a gross margin of NOK0.606 per litre.

Including employees at Statoil branded franchise stations, about 18,500 people work in Statoil Fuel & Retail's retail network across Europe, in its corporate headquarters, in its eight regional offices, in its terminals and in its depots.

More information about Statoil Fuel & Retail is available on their website at www.statoilfuelretail.com.

This transaction has been financed using our new acquisition facility described below.

New credit facility for the funding of Statoil Fuel & Retail acquisition

On April 16, 2012, we entered into a new 3-year credit agreement of $3.2 billion consisting of an unsecured non-revolving acquisition credit facility (the "acquisition facility"). The acquisition facility is available exclusively to fund, directly or indirectly, the acquisition of Statoil Fuel & Retail and related transactions costs and the repayment of any indebtedness of Statoil Fuel & Retail and its subsidiaries. The acquisition facility is available (i) in Canadian dollars, by way of prime rate loans or the issuance of banker's acceptance and (ii) in US dollars, by way of US base rate loans or Libor loans. Borrowings under the acquisition facility bear interest, depending on the form and the currency of the loan, at variable rates based on the Canadian prime rate, the banker's acceptance rate, the US base rate or LIBOR plus a variable margin determined based on the level of one of our leverage ratios.

Under the new credit agreement, we must maintain certain financial ratios and respect certain restrictive provisions.

Foreign exchange forward contracts

As described above, the acquisition of Statoil Fuel & Retail is denominated in NOK whereas our acquisition facility is denominated in US dollars. We have therefore determined that there was a risk related to fluctuations in the exchange rate between the US dollar and the NOK as the hypothetical weakening of the US dollar against the NOK would have increased our US dollars cash requirements in order to close the acquisition of Statoil Fuel & Retail. To mitigate this risk and because of the lack of liquidity in the currency market for the NOK, we entered into foreign exchange forward contracts (hereinafter, « forwards ») with reputable financial institutions allowing us to predetermine a significant portion of the disbursement we planned to make in US dollars for the acquisition of Statoil Fuel & Retail:

- As at April 29, 2012, we had forwards requiring us to deliver, at various dates, US$2.22 billion in exchange for NOK12.82 billion, representing a weighted average rate of NOK5.7879 per US dollar. On that same date, the unrealized gain on these forwards amounted to $17.0 million and was recorded to earnings of the fourth quarter of fiscal 2012.
- Subsequent to the end of fiscal 2012, we entered into additional forwards requiring us to deliver, at various dates, US$1.25 billion in exchange for NOK7.32 billion, representing a weighted average rate of NOK5.8530 per US dollar.

In total, we have entered into forwards requiring us to deliver US$3.47 billion in exchange for NOK20.14 billion, representing a weighted average rate of NOK5.8114 per US dollar which is a favorable rate compared to the rate of 5.75 in effect as at April 18, 2012, the date our offer was announced.

Subsequently, we modified the original maturity dates of certain forwards to make them coincide with the actual disbursement dates for the payment of Statoil Fuel & Retail shares. Thus, between June 15 and June 25, 2012, we settled a significant portion of the forwards contract with a value of $2,570.1 million to pay for Statoil Fuel & Retail shares while the remaining NOK at our disposal as well as the NOK that we will receive upon settlement of forwards that have not yet been settled will be used for the purchase of the remaining shares and to refinance a significant portion of Statoil Fuel & Retail existing long-term debt, which is denominated in NOK.

Based on accounting standards, since we could not apply hedge accounting, we will record our investment in Statoil Fuel & Retail in our consolidated balance sheet based on the exchange rates prevailing on the settlement dates of the acquisition transaction while the changes in fair value of forwards will be recorded to earnings. Cash flow wise, the sum of these two amounts is equivalent, in all material respect, to the U.S. dollars amount we would have paid, had the transaction taken place on April 18, 2012, the date our offer was announced, or more specifically, at the average rate of NOK5.8114 that we secured with this strategy. The impact on cash is therefore the one we had predetermined by securing the exchange rate at a favorable level compared to our modeling of the acquisition and compared to the rate at the time our offer was announced.

As at July 10, 2012, according to forwards that were settled and exchange rates prevailing at the time of settlement of these, we estimate that an accounting loss of approximately $87.1 million will be recorded to our next quarter earnings while the unrealized accounting loss on forwards that have not been settled totaled approximately $28.7 million as at July 10, 2012 and may fluctuate until their settlement based on changes in the exchange rate.

New credit agreement and reduction of previous credit agreements

On December 9, 2011, we entered into a new credit agreement consisting of a non-revolving unsecured facility of an initial maximum amount of $1.0 billion with an initial term of five years. The credit facility is available in the following form:

- A term revolving unsecured operating credit, available i) in Canadian dollars, ii) in US dollars, iii) in the form of Canadian dollar bankers' acceptances, with stamping fees and iv) in the form of standby letters of credit not exceeding $100.0 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 bankers' acceptance rate, the US base rate or LIBOR plus a variable margin; and
- An unsecured line 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 currency of the loan, on the Canadian prime rate, the US prime rate or the US base rate plus a variable margin.

Standby fees, which vary based on a leverage ratio of the Corporation, apply to the unused portion of the credit facility. Stamping fees, standby letters of credit fees and the variable margin used to determine the interest rate applicable to amount borrowed are determined according to a leverage ratio of the Corporation.

Under the new credit agreement, we must maintain certain financial ratios and respect certain restrictive provisions.

Considering this new agreement, the amounts available under the previously existing credit agreements were adjusted as follows:

- Operating credit A initial amount of $650.0 million was reduced to $326.0 million; and
- Operating credit B initial amount of $310.0 million was reduced to $154.0 million.

The used portion of these facilities in excess of the reduced initial amounts was transferred to the new credit facility. The previous agreements remain in effect until September 22, 2012. All other conditions pertaining to the previous agreements remain unchanged.

Network growth

June 2011 agreement with ExxonMobil

In June 2011, we signed an agreement with ExxonMobil for 322 stores and the motor fuel supply agreements for another 65 stores. All stores are operated in Southern California, United States. At the date of the signature of the agreement, 72 sites were operated by ExxonMobil (company-operated stores), 85 sites for which ExxonMobil leased the land and owned the building were operated by independent operators while 165 sites for which ExxonMobil owned both the land and the buildings were operated by independent operators. Under the laws of California, the transfer to Couche-Tard of these 165 sites was conditional to ExxonMobil's obligation to submit a *bona fide* offer to the independent operators of these sites. As of July 10, 2012, this offering process was not yet finalized.

The following table summarizes progress made in relation to this agreement and the steps that still must be completed.

		During the 12-week period ended October 9, 2011	During the 16-week period ended January 29, 2012	During the 13-week period ended April 29, 2012	Stores not yet integrated
Company-operated stores		1	73 (1)	-	-
Sites operated by independant operators (land leased by the Corporation and building owned by Corporation)		-	83 (2)	-	-
Sites operated by independant operators (real estate owned by the Corporation)		-	-	8	126 (3)
Fuel supply agreements		63 (4)	-	13 (5)	18 (5)

(1) Two of these sites were operated by independent operators at the time of the original agreement.
(2) Two of the 85 sites provided under the original agreement have been converted into company-operated stores by ExxonMobil prior to their transfer to Couche-Tard.
(3) Subject to ExxonMobil's obligation to submit a *bona fide* offer to the independent operators. Should the independent operator accept the offer, only fuel supply agreements would be transferred to us.
(4) Two fuel supply agreements provided under the original agreement have not been renewed by the independent operators.
(5) For these sites, the independent operators have accepted the *bona fide* offer ExxonMobil has submitted them. Therefore, only the fuel supply agreements for the sites have been (will be) transferred to us.

Other completed acquisition transactions

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. The four sites in the Chicago area were acquired through our RDK joint venture. We own the land and buildings for three of these sites and lease the others.

In October 2011, we acquired from Chico Enterprises Inc., 26 company-operated stores operating in northern West Virginia, United States, an area contiguous to our operations in Ohio. We own the real estate for 25 sites and we own the building and lease the land for the other site.

In November 2011, through our RDK joint venture, we acquired from Supervalu Inc., 27 stores operating in the Chicago area, Illinois, United States. The agreement also includes the transfer to RDK of two vacant land parcels. Out of the 27 stores, 14 are company-operated while the other 13 are operated by independent operators. RDK owns the real estate for 24 sites as well as the two vacant land parcels and it leases the real estate for the three other sites.

In November 2011, we acquired from ExxonMobil, 33 company-operated stores operating under the "On the Run" banner in Louisiana, United States. We own the buildings for 33 sites as well as land for 25 sites and we lease the land for the other eight sites.

In December 2011, we acquired from Neighbors Stores Inc., 11 company-operated stores operating in North Carolina, United States. We own the buildings for eight sites as well as the land for nine sites and we lease theses same assets for the other sites.

In April 2012, we acquired from Dead River Company, 17 company-operated stores operating in Maine, United States. Two stand-alone quick-service restaurants were also transferred to us. We own the real estate for 16 sites while we lease the other three sites.

In addition, fiscal year 2012, we acquired 18 additional company-operated stores through distinct transactions.

In May 2012, subsequent to the end of the fiscal 2012, we acquired 20 company-operated stores operating in Texas, United States from Signature Austin Stores. We lease the real estate for all sites.

Available cash and credit facilities were used for these acquisitions.

Store construction

During fiscal year 2012, we completed the construction of 28 new stores.

Summary of changes in our stores during the fourth quarter and fiscal year ended April 29, 2012

The following table presents certain information regarding changes in our store network over the 13 and 53-week periods ended April 29, 2012 (1):

	13-week period ended April 29, 2012			53-week period ended April 29, 2012		
	Company-operated stores (2)	**Affiliated stores (3)**	**Total**	**Company-operated stores (2)**	**Affiliated stores (3)**	**Total**
Number of stores, beginning of period	4,522	1,295	5,817	4,401	1,394	5,795
Acquisitions	21	-	21	200	-	200
Openings / constructions / additions	14	30	44	37	64	101
Closures / disposals / withdrawals	(19)	(60)	(79)	(100)	(193)	(293)
Conversion into company operated stores	1	(1)	-	1	(1)	-
Number of stores, end of period	4,539	1,264	5,803	4,539	1,264	5,803
Stores for which we control real estate but that are operated by independent operators to which we supply motor fuel through supply contracts						161
Stores to which we supply motor fuel through supply contracts						189
International licensed stored						3,990
Total number of stores in the Couche-Tard network						10,143

(1) These figures include 50% of the stores operated through RDK.
(2) Stores we operate under one of our main banners (Couche-Tard, Mac's, Circle K).
(3) Stores operated by an independent operator through a franchise or similar agreement under one of our main or secondary banner.

Share repurchase programs

Program which expired on October 24, 2011

We had a share repurchase program which allowed us to repurchase up to 2,685,335 Class A multiple voting shares and up to 11,621,801 Class B subordinate voting shares. The program expired on October 24, 2011. The following table summarizes share repurchases made under this program.

	13-week period ended April 29, 2012		53-week period ended April 29, 2012		Since implementation of the program	
	Number of shares repurchased	Weighted average cost per share	Number of shares repurchased	Weighted average cost per share	Number of shares repurchased	Weighted average cost per share
Class A multiple voting shares	-	-	2,700	CA$29.44	14,700	CA$26.08
Class B subordinate voting shares	-	-	4,559,900	CA$28.81	7,328,200	CA$27.40

Having made these repurchases, the number of Class A multiple voting shares and of Class B subordinate voting shares in circulation was reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital was increased on a pro rata basis. All shares repurchased under the share repurchase program were cancelled upon repurchase.

Program effective October 25, 2011 expiring no later than October 24, 2012

We implemented a new share repurchase program which allows us to repurchase up to 2,684,420 of the 53,688,412 Class A multiple voting shares and up to 11,126,400 of the 111,264,009 Class B subordinate voting shares issued and outstanding as at October 11, 2011 (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 Toronto Stock Exchange requirements, we can repurchase a daily maximum of 1,000 Class A multiple voting shares and of 82,118 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. The share repurchase period will end no later than October 24, 2012. All shares repurchased under the share repurchase program are cancelled upon repurchase. The following table summarizes share repurchases made under this program since its implementation.

	13-week period ended April 29, 2012		53-week period ended April 29, 2012		Since implementation of the program	
	Number of shares repurchased	Weighted average cost per share	Number of shares repurchased	Weighted average cost per share	Number of shares repurchased	Weighted average cost per share
Class A multiple voting shares	-	-	1,000	CA$30.50	1,000	CA$30.50
Class B subordinate voting shares	-	-	2,409,300	CA$30.19	2,409,300	CA$30.19

Dividends

During its July 10, 2012 meeting, the Corporation's Board of Directors (the "Board") declared a quarterly dividend of CA$0.075 per share for the fourth quarter of fiscal 2012 to shareholders on record as at July 19, 2012 and approved its payment for August 2, 2012. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

During fiscal 2012, the Board declared total dividends averaging CA$0.275 per share.

Board of Directors changes

On September 6, 2011, after three years as Chairman of the Board, Mr. Richard Fortin handed over this responsibility to Mr. Réal Plourde. Mr. Fortin continues to play an active role within the Corporation since he remained a member of the Board and of the Executive Committee. In addition to his new role, Mr. Plourde remains an active member of the Executive Committee.

On March 13, 2012, following the death of former Board member Mr. Roger Longpré earlier in 2011, Mrs. Nathalie Bourque was nominated as a new member on the Board. She also replaces Mr. Richard Fortin as member on the Human resources and Corporate Governance committee. Mrs. Bourque is Vice President, Public Affairs and Global Communications at CAE Inc.

Outstanding shares and stock options

As at July 6, 2012, Couche-Tard had 53,651,712 Class A multiple voting shares and 125,404,932 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 3,481,564 outstanding stock options for the purchase of Class B subordinate voting shares.

Exchange rate data

We use the US dollar as our reporting currency which provides more relevant information given the predominance of our operations in the United States and our 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:

	13-week period ended	12-week period ended	53-week period ended	52-week periods ended	
	April 29, 2012	April 24, 2011	**April 29, 2012**	April 24, 2011	April 25, 2010
Average for period [(a)]	**1.0053**	1.0240	**1.0051**	0.9861	0.9296
Period end	**1.0194**	1.0485	**1.0194**	1.0485	1.0009

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

Considering we use the US dollar as our reporting currency, in our consolidated financial statements and in the present document, unless indicated otherwise, results from our Canadian and corporate operations are translated into US dollars using the average rate for the period. Variances and explanations related to fluctuations 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.

Statement of Earnings 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, net 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 analysis of consolidated results for the fourth quarter of fiscal 2012

The following table highlights certain information regarding our operations for the 13 and 12-week periods ended April 29, 2012 and April 24, 2011, respectively:

(In millions of US dollars, unless otherwise stated)

	13-week period ended April 29, 2012	12-week period ended April 24, 2011	Change %
Revenues	**6,063.2**	4,737.0	28.0
Operating income	**137.4**	82.8	65.9
Net earnings	**117.8**	64.5	82.6
Selected Operating Data:			
Merchandise and service gross margin (1):			
Consolidated	**32.8%**	33.6%	(0.8)
United States	**32.8%**	33.5%	(0.7)
Canada	**32.9%**	33.6%	(0.7)
Growth (decrease) of same-store merchandise revenues (2) (3) (4):			
United States	**3.4%**	3.6%	
Canada	**5.4%**	(2.1%)	
Growth of same-store motor fuel volume (3) (4):			
United States	**0.2%**	0.3%	
Canada	**0.1%**	1.8%	
Motor fuel gross margin (3):			
United States (cents per gallon)	**16.98**	14.06	20.8
Canada (CA cents per litre)	**5.60**	5.01	11.8

(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) On 12-weeks period normalized basis.

Revenues

Our revenues were $6.1 billion in the fourth quarter of fiscal 2012, up $1.3 billion, an increase of 28.0%, mainly attributable to acquisitions, to the increase in motor fuel sales due to higher average retail prices at the pump, to the growth of same-store merchandise and service sales in the United States and Canada as well as to the impact of the thirteenth week in the fourth quarter of fiscal 2012. These items contributing to the growth in revenues were partially offset by a weaker Canadian dollar.

More specifically, the growth of merchandise and service revenues for the fourth quarter of fiscal 2012 was $212.5 million or 15.1%, of which approximately $42.0 million was generated by acquisitions. As for internal growth, on a 12-week comparable basis, same-store merchandise revenues increased by 3.4% in the United States and 5.4% in Canada. For the Canadian and U.S. markets, the variance 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. In the United States, a cigarette manufacturer modified its supply terms and price structure, at the beginning of the first quarter of fiscal 2012, in order to encourage retailers to decrease or maintain low unit prices on certain of its products, which has put a deflationary pressure on our cigarettes sales. Thus, we estimate that excluding tobacco products sales, our same-store merchandise sales in the United States increased by 6.1% on a 12-week comparable basis. As for the weaker Canadian dollar, it had an unfavourable impact of approximately $8.0 million on merchandise and service revenues of the fourth quarter of fiscal 2012.

Motor fuel revenues increased by $1.1 billion or 33.4% in the fourth quarter of fiscal 2012, of which approximately $527.0 million stems from acquisitions. The still fragile economy and higher retail prices at the pump have continued to put pressure on motor fuel consumption, which can explain the weak growth in same-store motor fuel volume in Canada and in the United States which amounted to 0.1% and 0.2%, respectively on a 12-weeks comparable basis.

The higher average retail price of motor fuel generated an increase in revenues of approximately $276.0 million as shown in the following table, starting with the first quarter of fiscal year ended April 24, 2011:

Quarter	1st	2nd	3rd	**4th**	Weighted average
53-week period ended April 29, 2012					
United States (US dollars per gallon)	3.67	3.50	3.32	**3.74**	3.54
Canada (CA cents per litre)	114.08	112.90	109.88	**117.05**	113.27
52-week period ended April 24, 2011					
United States (US dollars per gallon)	2.72	2.67	2.89	**3.44**	2.92
Canada (CA cents per litre)	91.46	90.47	97.76	**108.53**	96.91

As for the weaker Canadian dollar, it had an unfavourable impact of approximately $10.0 million on motor fuel sales of the fourth quarter of fiscal 2012.

Gross profit

The consolidated merchandise and service gross margin grew by $59.4 million or 12.6% in the fourth quarter of fiscal 2012. The consolidated margin was 32.8%, a reduction of 0.8% compared with the same quarter of fiscal 2011. In the United States, the gross margin is down 0.7% to 32.8% while in Canada, it fell by 0.7% to 32.9%. This performance reflects changes in the product-mix, the improvements we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market. More precisely, these margin reductions reflect more aggressive promotions in certain categories to protect store traffic as well as increases in the cost of certain of our products which we absorbed without passing it on to consumers. However, in terms of absolute dollars, the increase in same-store merchandise sales more than offset the decrease in margin percentage of these products, demonstrating that our strategies paid off.

In the fourth quarter of fiscal 2012, the motor fuel gross margin for our company-operated stores in the United States increased by 2.92¢ per gallon, from 14.06¢ per gallon last year to 16.98¢ per gallon this year. In Canada, the gross margin increased to CA5.60¢ per litre compared with CA5.01¢ per litre for the fourth quarter of fiscal 2011. 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 ended April 24, 2011, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	**4th**	Weighted average
53-week period ended April 29, 2012					
Before deduction of expenses related to electronic payment modes	19.95	17.04	14.84	**16.98**	16.99
Expenses related to electronic payment modes	5.29	5.20	4.74	**5.06**	5.04
After deduction of expenses related to electronic payment modes	14.66	11.84	10.10	**11.92**	11.95
52-week period ended April 24, 2011					
Before deduction of expenses related to electronic payment modes	18.83	16.84	13.12	**14.06**	15.54
Expenses related to electronic payment modes	4.15	4.16	4.36	**4.93**	4.40
After deduction of expenses related to electronic payment modes	14.68	12.68	8.76	**9.13**	11.14

Operating, selling, administrative and general expenses

For the fourth quarter of fiscal 2012, operating, selling, administrative and general expenses rose by 10.9% compared with the fourth quarter of fiscal 2011, but increased by only 5.9%, if we exclude certain items, as demonstrated by the following table:

	13-week period ended April 29, 2012
Total variance as reported	**10.9%**
Subtract:	
Increase from incremental expenses related to stores acquired	4.5%
Increase from higher electronic payment fees	1.8%
Negative goodwill recognized to earnings of fiscal 2012	(1.2%)
Decrease from the weakening of the Canadian dollar	(0.6%)
Acquisition costs recognized to earnings of fiscal 2012	0.5%
Remaining variance, including additional week in the fourth quarter of fiscal 2012	**5.9%**

The increase in electronic payment fees stems mainly from the rise in the average retail price of motor fuel. The remaining variance is mainly due to the impact of the thirteenth week in the fourth quarter of fiscal 2012 and, to a lesser extent, the additional expenses necessary to support growth in same-store merchandise sales as well as to the normal increase in costs due to inflation.

Moreover, excluding expenses related to electronic payment modes and acquisitions costs for both comparable periods as well as the negative goodwill recorded to earnings of the fourth quarter of fiscal 2012, expenses in proportion to merchandise and services sales represented 29.1% of sales during the fourth quarter of fiscal 2012, compared to 30.5% during the fourth quarter of fiscal 2011. This indicator has been constantly improving for the last 13 quarters. This performance reflects our constant efforts to find ways to improve our efficiency while ensuring that we maintain the quality of the service we offer our clients**.**

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

During the fourth quarter of fiscal 2012, EBITDA increased by 48.9% compared to the corresponding period of the previous fiscal year, reaching $203.0 million. Net of acquisition costs recorded to earnings, acquisitions contributed $13.6 million to EBITDA, while the exchange rate variation had a negative impact of approximately $1.0 million.

It should be noted that EBITDA is not a performance measure defined by IFRS, 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 corporations:

(in millions of US dollars)	13-week period ended **April 29, 2012**	12-week period ended April 24, 2011
Net earnings, as reported	**117.8**	64.5
Add:		
Income taxes	**36.5**	18.3
Net financial (revenues) expenses	**(13.5)**	2.6
Depreciation and amortization of property and equipment and other assets	**62.2**	50.9
EBITDA	**203.0**	136.3

Depreciation and amortization of property and equipment and other assets

For the fourth quarter of fiscal 2012, depreciation expense increased due to the investments made through acquisitions, replacement of equipment, addition of new stores and ongoing improvement of our network. Since the second quarter of fiscal 2012, depreciation and amortization expense includes amortization of intangible assets related to the fuel supply contracts acquired from ExxonMobil.

Financial expenses, net

For the fourth quarter of fiscal 2012, we recorded net financial revenues of $13.5 million compared to net financial expenses of $2.6 million for the fourth quarter of fiscal 2011. Excluding the $17.0 million gain recorded on forwards, the fourth quarter of fiscal 2012 posted net financial expenses of $3.5 million, up $0.9 million compared to the fourth quarter of fiscal 2011.

Income taxes

The income tax rate for the fourth quarter of fiscal 2012 is 23.7% compared to a rate of 22.1% for the corresponding quarter of the previous fiscal year.

Net earnings

We closed the fourth quarter of fiscal 2012 with net earnings of $117.8 million, compared to $64.5 million the previous fiscal year, an increase of $53.3 million or 82.6%. Diluted net earnings per share stood at $0.65 compared to $0.35 the previous year, an increase of 85.7%. The exchange rate variation did not have a significant impact on net earnings of the fourth quarter of fiscal 2012.

Excluding from net earnings of the fourth quarter of fiscal 2012 the non-recurring gain on forwards, acquisition costs as well as negative goodwill, net earnings would have stood at approximately $102.4 million ($0.57 per share on a diluted basis), up $37.9 million, or 58.8%.

Selected Consolidated Financial Information

The following table highlights certain information regarding our operations for the 53-week period ended April 29, 2012 and for the 52-week periods ended April 24, 2011 and April 25, 2010:

(In millions of US dollars, unless otherwise stated)	**2012 – 53 weeks IFRS**	2011 – 52 weeks IFRS	2011 – 52 weeks GAAP	2010 – 52 weeks GAAP
Statement of Operations Data:				
Merchandise and service revenues [1]:				
United States	**4,408.0**	4,133.6	4,171.8	3,986.0
Canada	**2,190.9**	2,049.9	2,050.0	1,895.5
Total merchandise and service revenues	**6,598.9**	6,183.5	6,221.8	5,881.5
Motor fuel revenues:				
United States	**13,673.8**	10,218.7	10,595.8	8,819.8
Canada	**2,724.8**	2,148.2	2,148.3	1,738.3
Total motor fuel revenues	**16,398.6**	12,366.9	12,744.1	10,558.1
Total revenues	**22,997.5**	18,550.4	18,965.9	16,439.6
Merchandise and service gross profit [1]:				
United States	**1,452.6**	1,369.8	1,381.7	1,308.1
Canada	**729.8**	702.9	702.9	638.3
Total merchandise and service gross profit	**2,182.4**	2,072.7	2,084.6	1,946.4
Motor fuel gross profit:				
United States	**637.9**	537.3	564.9	488.7
Canada	**148.8**	135.7	135.7	118.2
Total motor fuel gross profit	**786.7**	673.0	700.6	606.9
Total gross profit	**2,969.1**	2,745.7	2,785.2	2,553.3
Operating, selling, administrative and general expenses	**2,151.7**	2,028.9	2,050.4	1,906.7
Depreciation and amortization of property and equipment and other assets	**239.8**	213.7	216.3	204.5
Operating income	**577.6**	503.1	518.5	442.1
Net earnings	**457.6**	369.2	370.1	302.9
Other Operating Data:				
Merchandise and service gross margin [1]:				
Consolidated	**33.1%**	33.5%	33.5%	33.1%
United States	**33.0%**	33.1%	33.1%	32.8%
Canada	**33.3%**	34.3%	34.3%	33.7%
Growth of same-store merchandise revenues [2] [3] [4]:				
United States	**2.7%**	4.2%	4.2%	2.9%
Canada	**2.8%**	1.8%	1.8%	4.8%
Motor fuel gross margin [3]:				
United States (cents per gallon):	**16.99**	15.54	15.79	14.51
Canada (CA cents per litre)	**5.45**	5.38	5.38	5.31
Volume of motor fuel sold [5]:				
United States (millions of gallons)	**3,896.2**	3,517.7	3,649.1	3,484.8
Canada (millions of litres)	**2,713.5**	2,565.4	2,565.1	2,395.5
Growth of (decrease in) same-store motor fuel volume [3] [4]:				
United States	**0.1%**	0.7%	0.7%	1.0%
Canada	**(0.9%)**	3.9%	3.9%	3.0%
Per Share Data:				
Basic net earnings per share (dollars per share)	**2.54**	2.00	2.00	1.64
Diluted net earnings per share (dollars per share)	**2.49**	1.96	1.97	1.60
Balance Sheet Data:				
Total assets	**4,453.2**	3,926.2	3,999.6	3,696.7
Interest-bearing debt	**665.2**	501.5	526.4	741.2
Shareholders' equity	**2,174.6**	1,979.4	1,936.1	1,614.3
Indebtedness Ratios:				
Net interest-bearing debt/total capitalization [6]	**0.14 :1**	0.09 :1	0.10 :1	0.24 :1
Net interest-bearing debt/EBITDA [7]	**0.43 :1**	0.26 :1	0.28 :1	0.80 :1
Adjusted net interest bearing debt/EBITDAR [8]	**2.10 :1**	2.09 :1	2.10 :1	2.69 :1
Returns:				
Return on equity [9]	**22.0,%**	20.3%	20.8%	
Return on capital employed [10]	**19.0,%**	18.1%	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) On 52-week normalized basis.
(5) Includes volume of franchisees and dealers as well as the volume of motor fuel sold to independent operators under fuel supply agreements.
(6) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments, divided by the addition of shareholders' equity and long-term debt, net of cash and cash equivalents and temporary investments. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
(7) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments, divided by EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization). It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
(8) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt plus the product of eight times rent expense, net of cash and cash equivalents and temporary investments, divided by EBITDAR (Earnings Before Interest, Tax, Depreciation, Amortization and Rent expense). It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
(9) This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.
(10) This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

Analysis of consolidated results for the fiscal year ended April 29, 2012

Revenues

Our revenues were $23.0 billion in fiscal 2012, up $4.4 billion, or 24.0%, mainly attributable to an increase in motor fuel sales due to higher average retail prices at the pump, to acquisitions, to the growth of same-store merchandise and service sales in the United States and Canada, to the growth of same-store motor fuel volume in the United States as well as the fifty-third week in fiscal 2012.

More specifically, the growth of merchandise and service revenues for fiscal 2012 was $415.4 million or 6.7%, of which approximately $84.0 million was generated by acquisitions. As for internal growth, on a 52-week comparable basis, same-store merchandise revenues increased by 2.7% in the United States and 2.8% in Canada. For the Canadian and U.S. markets, the variance 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. In the United States, a cigarette manufacturer modified its supply terms and price structure, at the beginning of the first quarter of fiscal 2012, in order to encourage retailers to decrease or maintain low unit prices on certain of its products, which has put a deflationary pressure on our cigarettes sales. Thus, we estimate that excluding tobacco products sales, our same-store merchandise sales in the United States increased by 5.3% on a 52-week comparable basis. As for the stronger Canadian dollar, it had a favourable impact of approximately $40.0 million on merchandise and service revenues of fiscal 2012.

Motor fuel revenues increased by $4.0 billion or 32.6% in fiscal 2012, of which approximately $1.1 billion stems from acquisitions. The still fragile economy and higher retail prices at the pump have continued to put pressure on motor fuel consumption, which can explain the almost flat same-store motor fuel volume growth on a 52-week comparable basis in the United States as well as the slight decrease of 0.9% in Canada.

The higher average retail price of motor fuel generated an increase in revenues of approximately $2.5 billion as shown in the following table, starting with the first quarter of the fiscal year ended April 24, 2011:

Quarter	1st	2nd	3rd	4th	Weighted average
53-week period ended April 29, 2012					
United States (US dollars per gallon)	3.67	3.50	3.32	3.74	**3.54**
Canada (CA cents per litre)	114.08	112.90	109.88	117.05	**113.27**
52-week period ended April 24, 2011					
United States (US dollars per gallon)	2.72	2.67	2.89	3.44	**2.92**
Canada (CA cents per litre)	91.46	90.47	97.76	108.53	**96.91**

As for the stronger Canadian dollar, it had a favourable impact of approximately $41.0 million on motor fuel sales of fiscal 2012.

Gross profit

The consolidated merchandise and service gross margin grew by $109.7 million or 5.3% in fiscal 2012. The consolidated margin was 33.1%, a reduction of 0.4% compared with fiscal 2011. In the United States, the gross margin is down by only 0.1% to 33.0% while in Canada, it fell by 1.0% to 33.3%. This performance reflects changes in the product-mix, the improvements we brought to our supply terms as well as our merchandising strategy in line with market competitiveness and economic conditions within each market. More precisely, these margin reductions reflect more aggressive promotions in certain categories to protect store traffic as well as increases in the cost of certain of our products which we absorbed without passing it on to consumers. However, in terms of absolute dollars, the increase in same-store merchandise sales more than offset the decrease in margin percentage of these products, demonstrating that our strategies paid off.

In fiscal 2012, the motor fuel gross margin for our company-operated stores in the United States increased by 1.45¢ per gallon, from 15.54¢ per gallon in fiscal 2011 to 16.99¢ per gallon in fiscal 2012. However, taking into consideration expenses related to electronic payment modes, the net margin per gallon increased by only 0.81¢ per gallon. In Canada, the gross margin rose slightly to CA5.45¢ per litre compared with CA5.38¢ per litre for fiscal 2011. 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 ended April 24, 2011, were as follows:

(US cents per gallon) Quarter	1st	2nd	3rd	4th	Weighted average
53-week period ended April 29, 2012					
Before deduction of expenses related to electronic payment modes	19.95	17.04	14.84	16.98	**16.99**
Expenses related to electronic payment modes	5.29	5.20	4.74	5.06	**5.04**
After deduction of expenses related to electronic payment modes	14.66	11.84	10.10	11.92	**11.95**
52-week period ended April 24, 2011					
Before deduction of expenses related to electronic payment modes	18.83	16.84	13.12	14.06	**15.54**
Expenses related to electronic payment modes	4.15	4.16	4.36	4.93	**4.40**
After deduction of expenses related to electronic payment modes	14.68	12.68	8.76	9.13	**11.14**

Operating, selling, administrative and general expenses

For fiscal 2012, operating, selling, administrative and general expenses rose by 6.1% compared with fiscal 2011, but increased by only 1.9% if we exclude certain items, as demonstrated by the following table:

Total variance as reported	**6.1%**
Subtract:	
Increase from incremental expenses related to stores acquired	2.1%
Increase from higher electronic payment fees	2.0%
Increase from the strengthening of the Canadian dollar	0.6%
Acquisition costs recognized to earnings of fiscal 2011	(0.5%)
Acquisition costs recognized to earnings of fiscal 2012	0.3%
Negative goodwill recognized to earnings of fiscal 2012	(0.3%)
Remaining variance, including additional in fiscal 2012	**1.9%**

The increase in electronic payment fees stems mainly from the rise in the average retail price of motor fuel. The remaining variance is mainly due to the impact of the fifty-third week in fiscal 2012 and, to a lesser extent, to additional expenses necessary to support growth in same-store merchandise sales as well as to the normal increase in costs due to inflation.

Moreover, excluding expenses related to electronic payment modes and acquisitions costs for both comparable periods as well as the negative goodwill recorded to earnings of fiscal 2012, expenses in proportion to merchandise and services sales represented 28.8% of sales during fiscal 2012, compared to 29.4% during fiscal 2011. This indicator has been constantly improving for the last 13 quarters. This performance reflects our constant efforts to find ways to improve our efficiency while ensuring that we maintain the quality of the service we offer our clients**.**

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

During fiscal 2012, EBITDA increased by 14.4% compared to fiscal 2011, reaching $839.0 million. Net of acquisition costs recorded to earnings, acquisitions contributed approximately $26.0 million to EBITDA while the exchange rate variation had a positive impact of $4.5 million.

It should be noted that EBITDA is not a performance measure defined by IFRS, 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 corporations:

(in millions of US dollars)	**Fiscal 2012 53 weeks**	Fiscal 2011 52 weeks
Net earnings, as reported	**457.6**	369.2
Add:		
Income taxes	**146.3**	121.2
Net financial (revenues) expenses	**(4.7)**	29.6
Depreciation and amortization of property and equipment and other assets	**239.8**	213.7
EBITDA	**839.0**	733.7

Depreciation and amortization of property and equipment and other assets

For fiscal 2012, depreciation expense increased due to the investments made through acquisitions, replacement of equipment, addition of new stores and ongoing improvement of our network. Since the second quarter of fiscal 2012, depreciation and amortization expense includes amortization of intangible assets related to the fuel supply contracts acquired from ExxonMobil.

Financial expenses, net

For fiscal 2012, we recorded net financial revenues of $4.7 million compared to net financial expenses of $29.6 million in fiscal 2011. Excluding the $17.0 million gain recorded on forwards, fiscal 2012 posted net financial expenses of $12.3 million, down $17.3 million compared to fiscal 2011, mainly because of the early redemption of our $350.0 million subordinated unsecured debt during the third quarter of fiscal 2011, which contributed to decrease the average interest rate on our borrowings. Moreover, following the early redemption of our subordinated unsecured debt, we recorded a non-recurring charge of $3.0 million to fiscal 2011 results. The reduction in financial expenses from the lower average interest rate was partially offset by the slight increase in our indebtedness attributable to amounts disbursed for share repurchases and acquisitions.

Income taxes

The income tax rate for fiscal 2012 is 24.2% compared to a rate of 24.7% for fiscal 2011.

Net earnings

We closed fiscal 2012 with net earnings of $457.6 million, compared to $369.2 million the previous fiscal year, an increase of $88.4 million or 23.9%. Diluted net earnings per share stood at $2.49 compared to $1.96 the previous year, an increase of 27.0%. The exchange rate variation did not have a significant impact on net earnings of fiscal 2012.

Excluding from fiscal 2012 net earnings the non-recurring gain on forwards, acquisition costs as well as negative goodwill and excluding acquisition costs from earnings of fiscal 2011, net earnings for fiscal 2012 would have stood at approximately $444.7 million ($2.42 per share on a diluted basis) compared to $377.1 million ($2.00 per share on a diluted basis) for fiscal 2011, up $67.6 million, or 17.9%.

Financial Position as at April 29, 2012

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

Our total consolidated assets amounted to $4.5 billion as at April 29, 2012, an increase of $527.0 million over the balance as at April 24, 2011. This increase stems primarily from the overall rise in assets resulting from the acquisitions we made during fiscal year 2012, partially offset by the weakening of the Canadian dollar compared to the US dollar at the balance sheet date.

For fiscal 2012, we recorded a return on capital employed of 19.0%[1].

Shareholders’ equity amounted to $2.2 billion as at April 29, 2012, up $195.2 million compared to April 24, 2011, mainly reflecting net earnings of fiscal 2012, partially offset by shares repurchased, dividends declared and the decrease in accumulated other comprehensive income following the weakening of the Canadian dollar as at the balance sheet date. For fiscal 2012, we recorded a return on equity of 22.0%[2].

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, provide for working capital as well as for our share repurchase programs. We expect that cash generated from operations, borrowings available under our revolving unsecured credit facilities as well as under our acquisition facility 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 $326.0 million, $154.0 million and $40.0 million. These credit facilities will mature September 22, 2012 and are available in the form of a term revolving unsecured operating credit, 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.

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1 This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: earnings before income taxes and interests divided by average capital employed. Capital employed represents total assets less short-term liabilities not bearing interests. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

2 This ratio is presented for information purposes only and represents a measure of performance used especially in financial circles. It represents the following calculation: net earnings divided by average equity. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations.

We also have a $1.0 billion credit agreement consisting of a revolving unsecured facility with an initial term of five years. This credit facility will mature in December 2016 and is available in the following forms:

- A term revolving unsecured operating credit, available i) in Canadian dollars, ii) in US dollars, iii) in the form of Canadian dollar bankers' acceptances, with stamping fees and iv) in the form of standby letters of credit not exceeding $100.0 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 bankers' acceptance rate, the US base rate or LIBOR plus a variable margin; and
- An unsecured line of credit in the maximum amount of $50.0, available in Canadian or US dollars, bearing interest at variable rates based, depending on the form and currency of the loan, on the Canadian prime rate, the US prime rate or the US base rate plus a variable margin.

Under theses credit facilities, the Corporation must maintain certain financial ratios and respect certain restrictive provisions.

As at April 29, 2012, $649.3 million of our credit facilities had been used ($576.0 million for the US dollars portion and $73.3 million for the Canadian dollars portion). As at the same date, the weighted average effective interest rate was 0.82% for the US dollars portion and 1.95% for the Canadian dollars portion. In addition, standby letters of credit in the amount of CA$1.4 million and $28.5 million were outstanding as at April 29, 2012.

As at April 29, 2012, excluding the acquisition facility, $840.7 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 $1.1 billion through our available cash and credit agreements.

Selected Consolidated Cash Flow Information

(In millions of US dollars)	**Fiscal 2012 53 weeks**	Fiscal 2011 52 weeks	Variation
Operating activities	**$**	$	$
Cash flows	**691.3**	601.5	89.8
Other	**72.5**	6.8	65.7
Net cash provided by operating activities	**763.8**	608.3	155.5
Investing activities			
Business acquisitions	**(380.3)**	(37.8)	(342.5)
Purchase of property and equipment and other assets, net of proceeds from the disposal of property and equipment and other assets	**(288.8)**	(198.1)	(90.7)
Restricted cash	**(22.7)**	-	(22.7)
Proceeds from sale and leaseback transactions	**-**	5.1	(5.1)
Net cash used in investing activities	**(691.8)**	(230.8)	(461.0)
Financing activities			
Net increase in borrowings	**157.1**	132.7	24.4
Share repurchase	**(201.1)**	(69.1)	(132.0)
Issuance of shares	**19.2**	11.4	7.8
Dividends	**(49.8)**	(32.8)	(17.0)
Early redemption of subordinated unsecured debt	**-**	(332.6)	332.6
Net cash used in financing activities	**(74.6)**	(290.4)	215.8
Company credit rating			
Standard and Poor's	**BBB-**	BBB-	

Operating activities

During fiscal 2012, net cash from the operation of our stores reached $763.8 million, up $155.5 million compared to fiscal year 2011, mainly due to a more favourable change in working capital and to higher net earnings.

Investing activities

During fiscal 2012, investing activities were primarily for the acquisition of 191[1] company-operated stores, 91[1] stores operated by independent operators (including related motor fuel supply agreements) and motor fuel supply agreements for 76 stores for a total amount of $380.3 million, as well as for net capital expenditures and other assets for an amount of $288.8 million. Our capital investments were primarily for the replacement of equipment in some of our stores to enhance our offering of products and services, the addition of new stores as well as the ongoing improvement of our network. We also made an escrow deposit of $22.7 million for pending acquisitions.

1 The number of stores differs from that presented in the "Changes in the Store Network" table because it excludes stores related to the RDK joint venture. The latter being accounted for using the equity method, the amount paid by RDK for its investing activities do not appear in our investing activities.

Financing activities

During fiscal 2012, the increase in debt amounted to $157.1 million while we paid $201.1 million under our share repurchase program and $49.8 million in dividends. We also collected $19.2 million following the issuance of shares upon exercise of stock options.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual cash obligations as at April 29, 2012 [(1)]:

	2013	2014	2015	2016	2017	Thereafter	Total
			(in millions of US dollars US)				
Long-term debt [(2)]	480.6	0.4	0.4	0.4	169.5	1.6	**652.9**
Capital lease obligations	4.3	3.9	2.9	1.8	1.3	0.4	**14.6**
Operating lease obligations	266.6	243.3	224.8	204.4	185.9	1,252.0	**2,377.0**
Total	751.5	247.6	228.1	206.6	356.7	1,254.0	**3,044.5**

(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 29, 2012, our long-term debt reached $665.2 million, the details of which are as follows:

i) Borrowings of $649.3 million under our term revolving unsecured operating credits. The weighted average effective interest rate is 0.95% as at April 29, 2012. Standby letters of credit in the amount of CA$1.4 million and $28.5 million were outstanding as at April 29, 2012.

ii) Other long-term debts of $15.9 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 fiscal 2012, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from the Corporation's interim consolidated financial statements for each of the eight most recently completed quarters.

(In millions of US dollars except for per share data)	**53-week period ended April 29, 2012**				52-week period ended April 24, 2011			
Quarter	**4th**	**3rd**	**2nd**	**1st**	4th	3rd	2nd	1st
Weeks	**13 weeks**	**16 weeks**	**12 weeks**	**12 weeks**	12 weeks	16 weeks	12 weeks	12 weeks
Revenues	**6,063.2**	**6,604.1**	**5,152.6**	**5,177.6**	4,737.0	5,486.9	4,149.1	4,177.4
Earnings before depreciation and amortization of property and equipment and other assets, financial expenses and income taxes	**199.6**	**185.9**	**200.2**	**231.7**	133.7	163.5	199.0	220.6
Depreciation and amortization of property and equipment and other assets	**62.2**	**75.7**	**52.4**	**49.5**	50.9	66.1	49.3	47.4
Operating income	**137.4**	**110.2**	**147.8**	**182.2**	82.8	97.4	149.7	173.2
Share of earnings of a joint venture accounted for using the equity method	**3.4**	**7.0**	**5.2**	**6.0**	2.6	3.8	4.8	5.7
Net financial (revenues) expenses	**(13.5)**	**4.0**	**2.1**	**2.7**	2.6	11.2	8.2	7.6
Net earnings	**117.8**	**86.8**	**113.5**	**139.5**	64.5	69.6	108.2	126.9
Net earnings per share								
Basic	**$0.66**	**$0.49**	**$0.62**	**$0.76**	$0.35	$0.38	$0.58	$0.68
Diluted	**$0.65**	**$0.48**	**$0.61**	**$0.75**	$0.35	$0.37	$0.57	$0.67

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 24, 2011 (based on Canadian GAAP before transition to IFRS)

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.

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. In Canada, the gross margin also increased, 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 accounted 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.

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 29, 2012, 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. As at April 29, 2012, our management, following their assessment, certifies the design and operating effectiveness of disclosure controls and procedures.

Critical Accounting Policies and Estimates

Estimates. This MD&A is based on our consolidated financial statements, which have been prepared in accordance with IFRS. These standards require us to make certain estimates and assumptions that affect our financial position and results of operations as reflected in our consolidated financial statements. On an ongoing basis, we review our estimates, 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 Other Intangibles Assets. Goodwill and other intangibles assets are evaluated for impairment annually, or more often if events or changes in circumstances indicate that the value of certain goodwill or intangibles may be impaired. For the purpose of this impairment test, management uses estimates and assumptions to establish the fair value of our reporting units and intangible assets. If these assumptions and estimates prove to be incorrect, the carrying value of our goodwill or other intangible assets may be overstated. Our annual impairment test is performed in the first quarter of each fiscal year.

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

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

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

Revised Standards

Financial Statement Presentation

In June 2011, the International Accounting Standards Board (“IASB”) issued amendments to International Accounting Standard (“IAS”) 1 “Presentation of Financial Statements”. The amendments govern the presentation of Other Comprehensive Income (“OCI”) in the financial statements, primarily by requiring OCI items that may be reclassified to the statement of earnings to be presented separately from those that remain in equity.

These changes are applicable for fiscal years beginning on or after July 1st, 2012. We will apply these changes for our first quarter of fiscal year 2014 and are still evaluating their impact on our consolidated financial statements.

Employee Benefits

In June 2011, the IASB issued a revised version of IAS 19 “Employee Benefits” to modify accounting rules for defined benefits pension plans. The revised version of the standard contains multiple modifications, including the elimination of the corridor approach, which allowed deferring part of the actuarial gains and losses, as well as enhanced guidance on measurement of plan assets and defined benefit obligations, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and the introduction of enhanced disclosures for defined benefit plans.

These changes are applicable for fiscal years beginning on or after January 1st, 2013. We are in the process of determining when we will apply these changes and we are still evaluating their impact on our consolidated financial statements.

Financial Instruments – Presentation and disclosure

In December 2011, the IASB issued revised versions of IFRS 7 “Financial Instruments: Disclosures” and IAS 32 “Financial Instruments: Presentation”. The modifications clarify the offsetting rules and state new disclosure requirements for offsetting of financial assets and liabilities on the balance sheet.

The changes applied to IFRS 7 are applicable for fiscal years beginning on or after January 1st, 2013 while changes applied to IAS 32 are applicable for fiscal years beginning on or after January 1st, 2014. We will apply these changes for our first quarter of fiscal years 2014 and 2015, respectively and we are still evaluating their impact on our consolidated financial statements.

New standards

Financial Instruments

In November 2009, the IASB issued a new standard, IFRS 9 “Financial Instruments” which is the first phase of the IASB’s three-phase project to replace IAS 39 “Financial Instruments: Recognition and Measurement”. The standard provides guidance on the classification and measurement of financial liabilities and requirements for the derecognition of financial assets and financial liabilities.

IFRS 9 is applicable for fiscal years beginning on or after January 1st, 2015. We will apply these new standards for our first quarter of fiscal year 2016 and we are still evaluating the impact on our consolidated financial statements.

Consolidated financial statements

In May 2011, the IASB issued a new standard, IFRS 10 “Consolidated Financial Statements” which requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 “Consolidation—Special Purpose Entities” and parts of IAS 27 “Consolidated and Separate Financial Statements”.

Joint Arrangements

In May 2011, the IASB issued a new standard, IFRS 11 “Joint Arrangements” which requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 “Interests in Joint Ventures”, and SIC-13 “Jointly Controlled Entities—Non-monetary Contributions by Venturers”.

Disclosure of Interest in Other Entities

In May 2011, the IASB issued a new standard, IFRS 12 “Disclosure of Interest in Other Entities”. IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard includes existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

Fair Value Measurement

In May 2011, the IASB issued a new standard, IFRS 13 "Fair Value Measurement". IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IFRS 10, 11, 12 and 13 are all applicable for fiscal years beginning on or after January 1st, 2013. We will apply these new standards for our first quarter of fiscal year 2014 and we are still evaluating their impact on our consolidated financial statements.

Business Risks

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

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

Motor fuel. Our results 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 2012, motor fuel sales accounted for approximately 71.0% of our total revenue, yet the motor fuel gross margin represented only about 26.5% of our overall gross profits. In fiscal 2012, a change of one cent per gallon would have resulted in a change of approximately $46.0 million in the motor fuel gross profit, with a corresponding approximate impact on net earnings of $0.19 per share on a diluted basis. 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 changes 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 2012, for each ten-cent fluctuation in the retail price of a gallon of motor fuel, the expense associated with electronic payment modes would have varied by approximately $5.9 million, with a corresponding approximate 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 2012, revenues of tobacco products were approximately 36.5% 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 impact on the demand for tobacco products, and therefore affect our revenues and profits in light of the competitive landscape and consumer sensitivity to the price of such products.

In addition, we sell brands of cigarettes that are manufactured to be sold by 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 with a portion of approximately $650.0 million which bears interest at floating rates. By applying interest rates as they were in effect on April 29, 2012 to our current debt, our total interest expense would be approximately $7.2 million. A one-percentage point increase in interest rates would increase our total annual interest expense by $6.5 million or $0.03 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 and 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 29, 2012, we had $304.3 million in cash while $1.5 billion were available under our credit facilities of which approximatly $840.7 million were unused. A $520.0 million tranche of our credit facilities will expire in September 2012 while the other tranche of $1.0 billion will mature in December 2016.

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 29, 2012, everything else being equal, a hypothetical variation of 5.0% of the US dollar against the Canadian dollar would have had a net impact of $21.5 million on other comprehensive income.

Furthermore, as at April 29, 2012 we were exposed to foreign currency risk with respect to our potential acquisition of Statoil Fuel & Retail ASA for which the purchase price would be denominated in Norwegian kroners (“NOK”) and would be financed using our acquisition facility denominated in US dollars. As at April 29, 2012, we had forwards requiring us to deliver US dollars in exchange for NOK. As at April 29, 2012, with all other variables held constant, a hypothetical variation of 1.0% of the NOK against the US dollar would have had an impact of approximately $16.5 on net earnings.

Outlook

During fiscal year 2013, we expect to pursue our investments with caution in order to, amongst other things, improve our network. We also intend to keep an ongoing focus on our sales, supply terms and operating expenses while keeping an eye on growth opportunities that may be available to us.

We will pay special attention to the integration of Statoil Fuel & Retail. To do this, we have formed a multidisciplinary team that will ensure an effective integration and will identify opportunities for improvement, including available synergies. Within this framework, we will also put in place strategies that will enable us to reduce our debt levels in order to regain our financial flexibility and maintain the quality of our credit profile.

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 10, 2012