Couche-Tard

2012
Annual Report

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Alain Bouchard
President & Chief Executive Officer

Growth, Innovation and New Horizons

It's been another milestone year for the Couche-Tard family.

Once again we achieved record profitability, we continued to innovate and respond to challenges of the market, we grew the network strategically in North America and took the biggest step of our career as we ventured offshore into new international markets.

First, the numbers

We not only broke through a new barrier in 2012 with earnings of $457.6 million, but have now more than doubled our pre-2008 profits. Growth of 23.9% over fiscal 2011 marked the fourth straight year of double digit increase since we began a massive review and analysis of costs and processes back in 2008.

Revenues increased $4.4 billion to reach $23.0 billion in 2012, aided by a 53rd week in fiscal 2012.

Merchandise and service revenues, which increased by $415.4 million, included $84.0 million from acquired stores. Organic growth, as measured by same-store merchandise revenues, grew 2.7% in the U.S. and 2.8% in Canada on a 52-week comparative basis.

Motor fuel revenues increased dramatically by $4 billion, or 32.6%, due primarily to $1.1 billion from newly acquired assets as well as $2.5 billion from higher average prices at the pump as crude oil prices took wild swings for the fourth straight year. On a 52-week comparative same-store basis, fuel volume growth was negative in Canada and flat in the U.S., where our performance remains satisfactory when measured against the accompanying decline in miles driven.

The financial position of the Corporation is excellent. Total assets at year-end reached $4.5 billion, an increase of $527.0 million due primarily to the North American acquisitions made during the fiscal year. Return on capital employed stands at 19.0% and return on equity at 22.0%.

New Horizons

Network expansion and acquisition are fundamental strategies in the growth of our business. I'd have to go a long way back to think of a year when we did not put one of our three brands on new stores.

But this year is different. It is truly a landmark in our 32-year history, as we step off the shores of North America for the first time with our own equity investment, as opposed to our usual license agreement.

The acquisition of approximately 2,300 stores and gas stations in Northern Europe, mainly Scandinavia, was concluded in our current fiscal year, marking the culmination of a process that began in November of 2011.

In fact, the decision to seek new global markets goes back five years. After having successfully absorbed 2,279 Circle K stores in the U.S. and almost doubled our network, it became clear that our model could be successful in other markets.

We have built a world-class network incrementally through a disciplined and efficient management system, empowered employees and a dedication to best practices in all aspects of our business.

Scandinavia feels familiar already. Major oil companies in northern Europe are divesting themselves of their retail operations, just as they have been doing in North America over the past decade. We are a seasoned, successful acquirer and make an ideal partner, as our $2.6 billion agreement with Statoil attests.

Statoil Fuel & Retail ("SFR") is the #1 Convenience and Fuel Retailer in Scandinavia with approximately 2,300 stations, approximately 69% of which are company owned. The bulk of revenues are earned in the three Scandinavian countries of Norway, Sweden and Denmark but the company actually operates in eight countries. It is the market leader in five, almost six, and enjoys a strong growth potential.

The pro-forma scenario projects revenues of approximately $36.4 billion, EBITDA to $1.5 billion and total store count to 12,442, including our 3,990+ licensed stores around the globe.

It's as close to a perfect fit as I can imagine. We bring leadership in marketing, cost management and benchmarking; the SFR organization is well managed, skilled and successful especially in fresh food services, our current strategic priority.

We plan to keep the management structure pretty well intact and operate SFR as a stand-alone entity.

The transaction also includes 211 gas stations branded Jet. These are fully automatic and self-standing, a valuable asset strategically and a model we will study for possible expansion.

The deal was also made under excellent financial terms. My colleague Raymond Paré, our CFO, led the negotiations and talks more of this in his report.

Marketing Takes a New Direction

Meanwhile, back here in North America, we were tackling frontiers of a different kind.

Although total sales on an industry level declined in the past year, tobacco products remain the biggest single component of in-store revenues. At the start of the fiscal year, a major manufacturer modified its supply terms and pricing structure, placing significant pressure on the sales and retail margins of this category.

Our same-store merchandise sales growth in the U.S. was 2.7% in 2012. Excluding sales of tobacco products, they increased by 5.3%.

Our strategy is thus to acquire our own leverage through product control. This has resulted in Crown, our own new private value brand which we launched in the U.S. in January 2012. Customers like it: at the end of the fiscal year, we were approaching our market share goal well ahead of schedule.

Brand Building

The Crown experience leads me to the broader issue of brand ownership and awareness.

Historically, convenience stores were as the name implies -- the corner store where you could get basics at short notice but to whom you owed little, if any, allegiance.

Today, we carry thousands of items of inventory, including national and proprietary brands, and we compete head-to-head with major food retailers for service, quality and price. It's no longer a drop-in business; our challenge is to continually exceed customer expectations and create repeat business. In other words: branding.

On a macro scale, we have been a leader in aligning our corporate brands to the point where a satisfied *Couche-Tard*, *Mac's* or *Circle K* customer will enter another store of the same brand expecting a certain experience – and obtaining it. On a merchandising level, our intense benchmarking identifies best-of-breed products and services that we roll out across the network.

This past year has seen all our business units aligned with two national beverage offerings – same equipment, same brand, same offer. One is our coffee. We have extended the product line with such items as flavoured coffees, iced cappuccino and iced tea.

We have done the same with our fountain drink offer, aligning all business units under one brand offering called *Polar Pop*. My colleague Brian Hannasch, our Chief Operating Officer, talks more about this in the following pages.

The Power of Green

Brian also talks about our participation in the green movement, of which we are proud.

Most companies contribute by becoming profitable: we and thousands of other organizations contribute major amounts to help others in the community. "Going green" makes it possible for companies to become profitable by doing well.

In our case, I remember very well how it started: the internal notes from employees and the letters from shareholders and others, urging the Corporation to take steps to reduce our carbon footprint. I am proud of the amazing effort being made and extremely satisfied with the results we are beginning to see.

Succession Planning

Ensuring a known, qualified line of future managers is a corporate priority. Demographic change is making talented people hard to find and harder to recruit and I believe that continuity is an important element in creating and maintaining the entrepreneurial culture that sets us apart.

In recent years, our growth has created new leadership positions in the business units and we have lost some veteran managers to scheduled retirement. Accordingly, we decided to "top up" the talent supply stream from both internal and external sources.

I'm pleased to inform you that we have a number of very promising newcomers in the management training program. With this reinforcement of our internal bench strength, the management of the Corporation will remain in excellent hands.

Board Changes

I would like to welcome Mrs. Nathalie Bourque to our Board of Directors, following the death last year of our former Board colleague Roger Longpré who served the Corporation and our shareholders well. Mrs. Bourque is Vice-President, Public Affairs and Global Communications at CAE.

After three years as Chairman of the Board, Richard Fortin has handed the reins to Réal Plourde. I am grateful to Richard for his steady hand at the helm and his strong contribution to our very high standards of governance. Richard remains a member of the Board and of the Executive Committee.

Réal, along with Richard and Jacques D'Amours, is one of the group of four that founded Couche-Tard. He is also responsible for the decentralized business model that has proved to be so successful for the Corporation. I welcome him as our new Chairman.

The Outlook

It may surprise some to know that convenience stores make up the largest single retail sector – 35% of the retail universe in the U.S. according to the Association for Convenience & Fuel Retailing. Despite a difficult economic environment in the U.S., our industry has returned to a growth pattern, whereas in Canada, we continue to experience a good performance.

The appeal of convenience stores is changing and increasing in popularity and Couche-Tard is among the leaders of that change. Competitive data is difficult to ascertain but in most of the key metrics which we can reliably measure, the Corporation is well out in front.

The reasons are deep-rooted, an established part of our DNA. We place the customer first, we work hard with renewed initiatives to please the customer, and we manage cost and value to an extraordinary degree. The results are seen in the last several years of business performance and in the financial strength that has enabled an exciting and highly promising $2.6 billion acquisition.

Given our financial and market positioning, we enter our new fiscal year with high expectations for continued achievement and success.

Finally, thank you all

There is no doubt that 2012 has been a momentous year. It would not have been so without the hard work, enthusiasm, and dedication of many, many people.

I hope everyone who has contributed so much will also take great satisfaction, as I do, in watching our Corporation grow, prosper and lead.

As I have said many times before, it is our people who make Couche-Tard the company it is today. And what we are is a great organization to work for, one that empowers its people, welcomes initiative, is willing to learn from its mistakes, and where every single person is working towards improving the experience of our customers. Around here we often say "we operate a one-store chain".

I want to express my thanks, and those of the Board of Directors, to all our employees as well as to our shareholders and many supporters for their extraordinary contribution this year. I would like to add a special welcome to our new colleagues across the sea at SFR; we are looking forward to working closely together as we extend our frontiers.

Alain Bouchard
President & Chief Executive Officer

Brian Hannasch
Chief Operating Officer

A Living Network is more than Numbers

Our planned entry into the European market took over the spotlight during the last quarter of 2012 and set the seal on another strong year of growth and achievement across the Corporation. We welcome the employees of Statoil Fuel & Retail into the Couche-Tard family and look forward to working with the team to combine these two great companies

It was an important year for the continued expansion of the North American and Worldwide Franchise networks as well as for advances in core operating practices, food services and the pursuit of sustainable energy.

Busy year for deals

Altogether, 439 stores were acquired during the fiscal year, 313 of which were integrated by year-end. Another 28 new stores were constructed. It was one of the busiest expansion years since the transformational acquisition of *Circle K* nine years ago.

Network expansion, however, is not just about numbers. Each year, net growth is inevitably less than the total acquisitions due to the constant pruning of underperforming stores. This steady scrutiny plays a major role in the above average profitability of the Corporation.

Two important transactions during the year were with ExxonMobil, which has become a leading partner both in the US and Canada. We have enjoyed a solid relationship with ExxonMobil in Canada but did not have a large relationship in the U.S. This past year, we purchased all of its assets in Louisiana (Bâton Rouge and New Orleans) as well as Southern California for a total of 341 sites. We are also branding additional *Circle K* sites to the Mobil fuel brand in California.

In the process, we have become *ExxonMobil*'s largest customer in North America in total gallons sold and hope to find additional opportunities to grow together.

Creating the perfect sandwich

Food service is one of the fastest growing and most profitable sectors of the convenience store business. On an industry-wide basis, the food service category in the U.S. for the calendar year 2011 grew 10.5% over the previous year.

We have been talking about food service for some time and in the last three years have begun to get some traction around it. We have aligned the business units behind our leading hot and cold beverage brands and we are making promising progress into the provision of fresh food items.

Making fresh food available, attractive, and profitable is one of the biggest challenges in our business, something of a holy grail. It makes the highest contribution to the gross margin and is very popular. It is also very hard to do and, as a result, is not done well very often.

Our two poster children are Arizona and Great Lakes. These two business units have been experimenting extensively and successfully with managing hot and fresh foods and have established a set of best practices. The logistical challenge can be seen in the line-up: fresh sandwiches made daily, fresh pastries and rolls baked every day, fresh whole fruit, fresh cut fruit, and a variety of hot snacks.

We still face the challenge of being able to expand the menu, which entails combinations of product deliveries from different sources, and then replicating a successful solution across the network.

Beverages are a core part of our food service strategy and in 2012 we completed the alignment of our two main products across all our stores. We had done this earlier with coffee and completed last year the process with *Polar Pop*, our leading cold fountain drink area.

Ensuring the same product, same offer, and same equipment in each store has superior cost efficiency and also creates, as Alain pointed out, the drawing power of a recognized brand. We are achieving good traction with both lines.

This is helping to establish food services as one of our fastest growing and most profitable components with double digit annual growth for the past three years.

Better ways to power the network

Energy costs are our largest single expense outside of the payroll. Encouraged initially by the green movement, we have been looking with increasing intensity into better ways to power the network.

We took tiny steps at first. But, as technology made more things possible, doing the "right thing" for the planet quickly became also the right thing for reducing costs.

In fiscal 2011, we formed an Energy Team under Geoff Haxel, Senior Vice-President Operations, with representation from each Business Unit. The team is tasked with monitoring and benchmarking energy use in approximately 6,000 stores in climates that range from southern deserts to the long, dark winters of northern Canada.

Many improvements come from changing behaviour, raising awareness of energy waste and encouraging conservation in setting temperature levels and turning power on and off.

The energy usage patterns for every store are now detailed, costed, and tracked. Innovations include simple motion detectors to operate lights in bathrooms and back rooms, right-sizing heating and air conditioning units and replacing all the high wattage lights in the fuel canopies with LED lighting.

The early returns are impressive. We reduced our electricity consumption by 4% last year – the second year of reductions -- and have targeted another 5% this year.

This would apparently equate to taking almost 10,000 cars off the road. More important, it is a first step on our journey to make energy conservation a part of our culture.

How can we help you?

After three intense years of cost analysis and benchmarking, our focus today is very much on who walks in the door, what he or she wants and how satisfied they are when they leave.

We compete against many other channels including dollar stores, drug stores, groceries and bulk goods warehouses and quick serve restaurants. And what we compete with is time. From store location to display and service at the cash, we undertake to provide the customer with a quality product and a pleasant experience in the shortest time.

With the slowdown of the economy in North America, consumers have more time available to make choices on where to shop. We have to sharpen our focus on ensuring we provide the right level of value for our customers.

This means measuring speed and quality of service in a more rigorous and uniform fashion than ever. Here, we have an important advantage. We are the largest company-operated network, so we are able to implement and measure processes in certain parts of the business that others may find difficult.

As we move forward, this data becomes of increasing value in keeping our brands in leading positions in widely different markets across the continent.

Brian Hannasch
Chief Operating Officer

Raymond Paré
Vice-President & Chief Financial Officer

Business Building Starts with Financial Foundation

There is an old saying that "one swallow doesn't make a summer". It's also true that one good year doesn't make a profitable company. But four years in a row of double digit growth?

Couche-Tard completed its fourth straight year of record earnings in 2012, still against a backdrop of economic uncertainty although the industry as a whole completed a second year of revenue growth.

Our total revenues grew by 24.0% and net earnings by 23.9%. Expenses increased 6.1%, but only 1.9% after excluding specific items (details are in the MD&A). Return on capital employed reached 19.0% and return on equity 22.0%.

Not only is this the fourth straight year of double digit earnings growth, but the 10th straight year of sales increase, nine of which also improved the bottom line. This is a good time, then, to take in a wider view of how the Corporation is improving on an ongoing basis.

Strategies to build value

The Corporation's ongoing performance testifies to the success of many strategies to create value. Our principal strategies are to be a disciplined acquirer of assets, to develop the network organically, to share best practices among business units and stores, to benefit from centralized purchasing, to continuously improve customer service, and to manage expenses, tax and capital with both discipline and imagination.

Four years ago, we made a case for Return on Capital Employed (ROCE) as the focal measure of performance. Average ROCE for the convenience store industry in the U.S. in 2011 was 10.88%. Our return on capital employed has climbed from 12.7% in 2008 to 19% at the end of fiscal 2012.

At this level we surpass all of our peers in the c-store industry and almost all other major retail channels.

Advantageous financing

Financial management plays an important role in the ongoing pursuit of profitability. The financing of our $2.6 billion acquisition of Statoil Fuel & Retail (SFR) is a good example.

Before making an offer we had $4.2 billion in available cash and credit agreements. In the third quarter, we had renewed our revolving five-year facility, at conditions better than market. Three days before our voluntary offer, we secured a new, three-year credit agreement of $3.2 billion, specifically for the SFR acquisition.

As a result, we were able to close the deal without the customary resort to bridge financing with its attendant cost and additional risk exposure.

Couche-Tard undertakes its own financing arrangements. For the SFR financing, we researched and closed arrangements with a consortium of international banks and obtained considerable advantages and flexibility.

Not only do we save syndication fees normally charged by a lead institution but we also enable a more competitive environment, resulting in the best possible rates and terms.

It starts with the balance sheet

This kind of advantageous financing is made possible by a strong balance sheet.

Couche-Tard has always focused on balance sheet strength. Our operating costs are among the lowest in our industry and we are a highly disciplined acquirer. In the case of SFR, for example, we resisted considerable pressure to raise our bid and thus maximize the value that we will create for our shareholders.

In 2003 we made a similarly transformational acquisition when we acquired Circle K from ConocoPhillips for $804 million. This deal doubled our network overnight to 4,672 stores, almost tripled sales to $6.4 billion, and established the base for our network in the United States.

Nine years later, we have built our balance sheet to the point where we can undertake an acquisition of $2.6 billion and become a global convenience store operator with a lower adjusted leverage than for Circle K.

Now the work begins

An important element of our financial strategy is to reduce the leverage as rapidly as possible following a major acquisition.

This is in order to protect our investment grade ratings (BBB- "Investment Grade") and also to return to a position from which we can follow up on new opportunities as they arise.

The work, in fact, has begun and as soon as the deal looked like it was closing, our line managers were already focusing on cash flow and working capital. The added cash flow from SFR will be further maximized through benchmarking against our own network, improving the customer offer, the buying conditions, the working capital required and administrative expenses on both sides.

This will help us to regain our usual flexibility as rapidly as possible.

We are excited by the potential of this acquisition taken on its own and also by the future opportunities available to us because of this new platform. A big thanks goes out to my team who took the internal leadership on many aspect of the SFR transaction, and to the financial partners and other collaborators who supported us in the last year.

I also extend a warm welcome to our new colleagues from Statoil Fuel & Retail.

Raymond Paré
Vice-President & Chief Financial Officer

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

MANAGEMENT'S REPORT

The consolidated financial statements of Alimentation Couche-Tard Inc. and the financial information contained in this Annual Report are the responsibility of management. This responsibility is applied through a judicious choice of accounting procedures and principles, the application of which requires the informed judgment of management. The consolidated financial statements were prepared according to International Financial Reporting Standards and were approved by the Board of Directors. In addition, the financial information included in the Annual Report is consistent with the consolidated financial statements.

Alimentation Couche-Tard Inc. maintains accounting and administrative control systems which, in the opinion of management, ensure reasonable accuracy, relevance and reliability of financial information and well-ordered, efficient management of the Corporation's affairs.

The Board of Directors is responsible for approving the consolidated financial statements included in this Annual Report, primarily through its Audit Committee. This Committee, which holds periodic meetings with members of management as well as with the external auditors, reviewed the consolidated financial statements of Alimentation Couche-Tard Inc. and recommended their approval to the Board of Directors.

The consolidated financial statements for the fiscal years ended April 29, 2012 and April 24, 2011, as well as the April 26, 2010 opening balance sheet were audited by PricewaterhouseCoopers LLP, chartered professional accountants, and their report indicates the extent of their audit and their opinion on the consolidated financial statements.

July 10, 2012

Alain Bouchard President and Chief Executive Officer	Raymond Paré Vice-President and Chief Financial Officer

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for Alimentation Couche-Tard Inc, as such term is defined in Rule 13a-15(f) under the *Securities Exchange Act of 1934* (United States) and Canadian securities regulations. With our participation management carried out an evaluation of the effectiveness of our internal control over financial reporting, as of the end of our fiscal year ended April 29, 2012. The framework on which such evaluation was based is contained in the report entitled *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on this evaluation, management concluded that Alimentation Couche-Tard Inc.'s internal control over financial reporting was effective as at April 29, 2012.

PricewaterhouseCoopers LLP, chartered professional accountants, audited Alimentation Couche-Tard Inc.'s internal control over financial reporting as at April 29, 2012 and have issued their unqualified opinion thereon, which is included herein.

July 10, 2012

Alain Bouchard President and Chief Executive Officer	Raymond Paré Vice-President and Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Alimentation Couche-Tard Inc.

July 10, 2012

We have completed an integrated audit of Alimentation Couche-Tard Inc and its subsidiaries consolidated financial statements for the fiscal year ended April 29, 2012 and its internal control over financial reporting as at April 29, 2012 and an audit of their consolidated financial statements for the fiscal year ended April 24, 2011. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated financial statements of Alimentation Couche-Tard Inc. and its subsidiaries, which comprise the consolidated balance sheets as at April 29, 2012, April 24, 2011 and April 26, 2010 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for the fiscal years ended April 29, 2012 and April 24, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alimentation Couche-Tard Inc. and its subsidiaries as at April 29, 2012, April 24, 2011 and April 26, 2010 and their financial performance and their cash flows for fiscal years ended April 29, 2012 and April 24, 2011 in accordance with International Financial Reporting Standards.

Report on internal control over financial reporting

We have also audited the effectiveness of Alimentation Couche-Tard Inc. and its subsidiaries internal control over financial reporting as at April 29, 2012.

Management's responsibility for internal control over financial reporting

Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion, based on our audit, on whether the company's internal control over financial reporting was effectively maintained in accordance with criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CICA Handbook – Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Definition of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Canadian generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Opinion

In our opinion, Alimentation Couche-Tard Inc. and its subsidiaries maintained, in all material respects, effective internal control over financial reporting as at April 29, 2012 in accordance with criteria established in Internal Control - Integrated Framework, issued by COSO.

Inherent limitations

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP[1]
Montreal, Canada

[1] CPA auditor, CA, public accountancy permit No. A119427

CONSOLIDATED STATEMENTS OF EARNINGS

For the fiscal years ended April 29, 2012 and April 24, 2011
(in millions of US dollars (Note 2), except per share amounts)

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Revenues	**22,997.5**	18,550.4
Cost of sales	**20,028.4**	15,804.7
Gross profit	**2,969.1**	2,745.7
Operating, selling, administrative and general expenses (Note 6)	**2,151.7**	2,028.9
Depreciation and amortization of property and equipment and other assets	**239.8**	213.7
	2,391.5	2,242.6
Operating income	**577.6**	503.1
Share of earnings of a joint venture accounted for using the equity method (Note 5)	**21.6**	16.9
Financial expenses (Note 8)	**13.5**	31.4
Financial revenues (Note 8)	**(1.2)**	(1.8)
Gain on foreign exchange forward contracts (Note 24)	**(17.0)**	-
Net financial (revenues) expenses (Note 8)	**(4.7)**	29.6
Earnings before income taxes	**603.9**	490.4
Income taxes (Note 9)	**146.3**	121.2
Net earnings	**457.6**	369.2
Net earnings per share (Note 10)		
Basic	**2.54**	2.00
Diluted	**2.49**	1.96

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the fiscal years ended April 29, 2012 and April 24, 2011
(in millions of US dollars (Note 2), except per share amounts)

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Net earnings	**457.6**	369.2
Other Comprehensive income		
Changes in cumulative translation adjustments (1)	**(26.4)**	40.1
Change in fair value of a financial instrument designated as a cash flow hedge (2)	**5.9**	2.0
Gain realized on a financial instrument designated as a cash flow hedge transferred to earnings (3)	**(5.1)**	(1.3)
Gain realized on the disposal of an available-for-sale financial instrument transferred to earnings (4)	**(0.6)**	-
Net actuarial losses (Note 23) (5)	**(4.9)**	(1.2)
Other comprehensive income	**(31.1)**	39.6
Comprehensive income	**426.5**	408.8

(1) For the fiscal years ended April 29, 2012 and April 24, 2011 these amounts include a loss of $10.5 and a gain of $17.2, respectively, arising from the translation of US dollar denominated long-term debt designated as a foreign exchange hedge of the Corporation's net investment in its US operations (net of income taxes of $1.6 and $2.5, respectively).
(2) For the fiscal years ended April 29, 2012 and April 24, 2011 these amounts are net of income taxes of $1.9 and $0.6, respectively.
(3) For the fiscal years ended April 29, 2012 and April 24, 2011 these amounts are net of income taxes of $1.6 and $0.4, respectively.
(4) This amount is net of income taxes.
(5) For the fiscal years ended April 29, 2012 and April 24, 2011 these amounts are net of income taxes of $1.7 and $0.6, respectively.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the fiscal years ended April 29, 2012 and April 24, 2011
(in millions of US dollars (Note 2))

2012 (53 weeks)

	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income (1)	Shareholders' equity
	$	$	$	$	$
Balance, beginning of year	**323.8**	**19.3**	**1,596.3**	**40.0**	**1,979.4**
Comprehensive income:					
Net earnings			**457.6**		**457.6**
Other comprehensive income				**(31.1)**	**(31.1)**
Total comprehensive income					**426.5**
Dividends			**(49.8)**		**(49.8)**
Stock option-based compensation expense (Note 22)		**0.4**			**0.4**
Initial fair value of stock options exercised	**1.8**	**(1.8)**			**-**
Cash received upon exercise of stock options	**19.2**				**19.2**
Repurchase and cancellation of shares (Note 21)	**(23.8)**				**(23.8)**
Excess of acquisition cost over book value of Class A multiple voting shares and Class B subordinate voting shares repurchased and cancelled			**(177.3)**		**(177.3)**
Balance, end of year	**321.0**	**17.9**	**1,826.8**	**8.9**	**2,174.6**

(1) The year-end balance comprises $13.1 for cumulative translation adjustments, $1.9 for the cumulative fair value variation of a financial instrument designated as a cash flow hedge (net of income taxes of $0.6) and $6.1 for cumulative net actuarial losses (net of income taxes of $2.3).

2011 (52 weeks)

	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income (2)	Shareholders' equity
	$	$	$	$	$
Balance, beginning of year	319.5	20.4	1,319.7	0.4	1,660.0
Comprehensive income:					
Net earnings			369.2		369.2
Other comprehensive income				39.6	39.6
Total comprehensive income					408.8
Dividends			(32.8)		(32.8)
Stock option-based compensation expense (Note 22)		1.1			1.1
Initial fair value of stock options exercised	2.2	(2.2)			-
Cash received upon exercise of stock options	11.4				11.4
Repurchase and cancellation of shares (Note 21)	(9.3)				(9.3)
Excess of acquisition cost over book value of Class A multiple voting shares and Class B subordinate voting shares repurchased and cancelled			(59.8)		(59.8)
Balance, end of year	323.8	19.3	1,596.3	40.0	1,979.4

(2) The year-end balance comprises $40.1 for cumulative translation adjustments, $1.1 for the cumulative fair value variation of a financial instrument designated as a cash flow hedge (net of income taxes of $0.4) and $1.2 for cumulative net actuarial losses (net of income taxes of $0.4).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the fiscal years ended April 29, 2012 and April 24, 2011
(in millions of US dollars (Note 2))

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Operating activities		
Net earnings	**457.6**	369.2
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization of property and equipment and other assets, net of amortization of deferred credits	**199.7**	188.5
Deferred income taxes	**24.2**	57.9
Gain on foreign exchange forward contracts (Note 24)	**(17.0)**	-
Share of earnings (net of dividends received) of a joint venture accounted for using the equity method (Note 5)	**(16.8)**	(6.1)
Deferred credits	**10.7**	0.7
Loss on disposal of property and equipment and other assets	**9.8**	4.7
Negative goodwill (Note 4)	**(6.9)**	-
Deemed interest on repayment of subordinated unsecured debt (Note 18)	**-**	(17.4)
Gain on early redemption of subordinated unsecured debt (Note 18)	**-**	(1.4)
Other	**17.8**	22.4
Changes in non-cash working capital (Note 11)	**84.7**	(10.2)
Net cash provided by operating activities	**763.8**	608.3
Investing activities		
Business acquisitions (Note 4)	**(380.3)**	(37.8)
Purchases of property and equipment and other assets	**(316.6)**	(220.1)
Proceeds from disposal of property and equipment and other assets	**27.8**	22.0
Restricted cash	**(22.7)**	-
Proceeds from sale and leaseback transactions	**-**	5.1
Net cash used in investing activities	**(691.8)**	(230.8)
Financing activities		
Repurchase of shares (Note 21)	**(201.1)**	(69.1)
Net increase in other debt (Note 18)	**157.1**	132.7
Cash dividends paid	**(49.8)**	(32.8)
Issuance of shares	**19.2**	11.4
Early redemption of subordinated unsecured debt (Note 18)	**-**	(332.6)
Net cash used in financing activities	**(74.6)**	(290.4)
Effect of exchange rate fluctuations on cash and cash equivalents	**(2.8)**	6.9
Net (decrease) increase in cash and cash equivalents	**(5.4)**	94.0
Cash and cash equivalents, beginning of year	**309.7**	215.7
Cash and cash equivalents, end of year	**304.3**	309.7
Supplemental information:		
Interest paid	**7.3**	31.8
Interest and dividends received	**6.1**	12.5
Income taxes paid	**91.1**	93.0
Cash and cash equivalents components :		
Cash and demand deposits	**253.5**	258.1
Liquid investments	**50.8**	51.6
	304.3	309.7

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

as at April 29, 2012, April 24, 2011 and April 26, 2010
(in millions of US dollars (Note 2))

	2012	2011	2010
	$	$	$
Assets			
Current assets			
Cash and cash equivalents	**304.3**	309.7	215.7
Restricted cash	**22.7**	-	-
Accounts receivable (Note 12)	**420.7**	349.1	280.8
Inventories (Note 13)	**543.9**	526.0	469.9
Prepaid expenses	**28.6**	21.0	20.0
Foreign exchange forward contracts (Note 24)	**17.2**	-	-
Income taxes receivable	**-**	36.4	17.7
	1,337.4	1,242.2	1,004.1
Property and equipment (Note 14)	**2,248.3**	1,935.4	1,914.9
Goodwill (Note 15)	**502.9**	440.9	425.3
Intangible assets (Note 15)	**217.0**	188.6	188.2
Other assets (Note 16)	**68.2**	58.0	55.8
Investment in a joint venture (Note 5)	**65.0**	48.2	42.1
Deferred income taxes (Note 9)	**14.4**	12.9	8.6
	4,453.2	3,926.2	3,639.0
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 17)	**1,025.7**	936.5	821.7
Provisions (Note 20)	**50.1**	36.3	31.4
Income taxes payable	**6.6**	-	-
Current portion of long-term debt (Note 18)	**484.4**	4.6	4.4
	1,566,8	977.4	857.5
Long-term debt (Note 18)	**180.8**	496.9	711.9
Provisions (Note 20)	**107.5**	88.7	87.7
Deferred credits and other liabilities (Note 19)	**161.4**	139.5	128.0
Deferred income taxes (Note 9)	**262.1**	244.3	193.9
	2,278.6	1,946.8	1,979.0
Shareholders' equity			
Capital stock (Note 21)	**321.0**	323.8	319.5
Contributed surplus	**17.9**	19.3	20.4
Retained earnings	**1,826.8**	1,596.3	1,319.7
Accumulated other comprehensive income	**8.9**	40.0	0.4
	2,174.6	1,979.4	1,660.0
	4,453.2	3,926.2	3,639.0

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

Alain Bouchard
Director

Réal Plourde
Director

1. Governing statutes and nature of operations

Alimentation Couche-Tard Inc. (the "Corporation") is incorporated under the *Business Corporations Act* (Quebec). The Corporation's head office is located in Laval, at 4204 Boulevard Industriel, Quebec, Canada.

As at April 29, 2012, the Corporation owns and licenses 5,803 convenience stores across North America, of which 4,539 are company-operated, and generates income primarily from the sales of tobacco products, grocery items, beverages, fresh food offerings, including quick service restaurants, other products and services and motor fuel.

2. Basis of presentation

Year-end date

The Corporation's year-end is the last Sunday of April of each year. The fiscal years ended April 29, 2012 and April 24, 2011 are referred to as 2012 and 2011. The fiscal year ended April 29, 2012 had 53 weeks (52 weeks in 2011).

Basis of presentation

The Corporation prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS''), and requires publicly accountable enterprises to apply such standards effective for fiscal years beginning on or after January 1, 2011. In these consolidated financial statements, the term "Canadian GAAP" refers to Canadian Generally Accepted Accounting Principles before the adoption of IFRS.

These consolidated financial statements are the Corporation's first annual consolidated financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The Corporation adopted IFRS in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". In accordance with IFRS, the Corporation has:

- provided comparative financial information;
- applied the same accounting policies throughout all reporting periods presented (except for certain exemptions applicable for first-time IFRS adopters applied and disclosed in Note 29); and
- retrospectively applied all IFRS standards issued as of July 10, 2012 (with an effective date before April 29, 2012), the date on which the Board of Directors approved the consolidated financial statements.

The Corporation's consolidated financial statements were previously prepared in accordance with Canadian GAAP. Canadian GAAP differs in some areas from IFRS. In preparing these consolidated financial statements in accordance with IFRS, management has amended certain accounting, measurement and consolidation methods previously applied in its consolidated financial statements prepared under Canadian GAAP. Note 29 presents line-by-line reconciliations of the comparative balance sheet as at April 24, 2011 and the opening balance sheet as at April 26, 2010, a reconciliation of net earnings and comprehensive income for the fiscal year ended April 24, 2011, as well as a description of the effect of the transition from Canadian GAAP to IFRS on these items.

Reporting currency

The parent corporation's functional currency is the Canadian dollar. However, the Corporation uses the US dollar as its reporting currency to provide more relevant information considering its predominant operations in the United States and its debt largely denominated in US dollars.

Approval of the financial statements

The Corporation's consolidated financial statements were approved on July 10, 2012 by the board of directors who also approved their publication.

3. Accounting policies

Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management reviews its estimates, including those relating to supplier rebates, provisions, income taxes, lease accounting and purchase price allocation, based on available information. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future. Actual results could differ from those estimates.

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries, all of which are wholly owned. They also include the Corporation's share of earnings of a joint venture accounted for using the equity method. All intercompany balances and transactions have been eliminated on consolidation.

Subsidiaries are entities over which the Corporation has control, where control is defined as the power to govern financial and operating policies. The Corporation has directly or indirectly a shareholding of 100% of the voting rights in its subsidiaries. The effect of potential voting rights that are currently exercisable is considered when assessing whether control exists. These criteria are reassessed regularly and subsidiaries are fully consolidated from the date control is transferred to the Corporation, and are deconsolidated from the date control ceases.

3. Accounting policies (continued)

Foreign currency translation

Functional currency

The functional currency of the parent corporation and its Canadian operations is the Canadian dollar while that of the US operations is the US dollar.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the relevant functional currency as follows: Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average exchange rate on a 4-week period basis. Non-monetary assets and liabilities are translated at historical rates or at the rate on the date they were valued at fair value. Gains and losses arising from such translation, if any, are reflected in the consolidated statement of earnings except when deferred in equity as qualifying net investment hedge.

Consolidation and foreign operations

The consolidated financial statements are consolidated in Canadian dollars using the following procedure: Assets and liabilities of the US operations are translated into Canadian dollars using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average exchange rate on a 4-week period basis. Gains and losses arising from such translation are included in Accumulated other comprehensive income in Shareholders' equity.

Reporting currency

The Corporation has adopted the US dollar as its reporting currency. The Canadian dollar consolidated financial statements are translated into the reporting currency using the procedure described above. Capital stock, Contributed surplus and Retained earnings are translated using historical rates. Non-monetary assets at fair value are translated at the rate on the date on which their fair value was determined. Gains and losses arising from translation are included in Accumulated other comprehensive income in Shareholders' equity.

Net earnings per share

Basic net earnings per share is calculated by dividing the net earnings available to Class A and Class B shareholders by the weighted average number of Class A and Class B shares outstanding during the year. Diluted net earnings per share is calculated using the average weighted number of shares outstanding plus the weighted average number of shares that would be issued upon the conversion of all potential dilutive stock-options into common shares.

Revenue recognition

For its two major product categories, merchandise and services and motor fuel, the Corporation recognizes revenue at the point of sale. Merchandise sales primarily comprise the sale of tobacco products, grocery items, candy and snacks, beverages, beer, wine and fresh food offerings, including quick service restaurants.

Service revenues include the commission on sale of lottery tickets and issuance of money orders, fees from automatic teller machines, sales of calling cards and gift cards, fees for cashing cheques, sales of postage stamps and bus tickets and car wash revenues. These revenues are recognized at the time of the transaction. Service revenues also include franchise and license fees, which are recognized in revenues over the period of the agreement to which the fees relate as well as royalties from franchisees and licensees, which are recognized periodically based on sales reported by franchise and license operators.

Cost of sales and vendor rebates

Cost of sales mainly comprise the cost of merchandise and motor fuel sold including applicable freight less vendor rebates.

The Corporation records cash received from vendors related to vendor rebates as a reduction in the price of the vendors' products and reflects them as a reduction of cost of sales and related inventory in its consolidated statements of earnings and balance sheets when it is probable that they will be received. Amounts received but not yet earned are presented in deferred credits.

Operating, selling, administrative and general expenses

The main items comprising Operating, selling, administrative and general expenses are labour, building occupancy costs, credit and debit card fees and overhead.

Cash and cash equivalents

Cash includes cash and demand deposits. Cash equivalents include highly liquid investments that can be readily converted into cash for a fixed amount and that mature less than three months from the date of acquisition.

Restricted cash

Restricted cash comprises escrow deposits for pending acquisitions.

Inventories

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.

3. Accounting policies (continued)

Income taxes

The income tax expense recorded to earnings is the sum of the deferred income taxes and current income taxes that are not recognized in Other comprehensive income or directly to Shareholders' equity.

The Corporation uses the balance sheet liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the carrying amounts and tax bases of assets and liabilities using enacted or substantively enacted tax rates and laws, as appropriate, at the date of the consolidated financial statements for the years in which the temporary differences are expected to reverse. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

Property and equipment, depreciation and amortization and impairment

Property and equipment are stated at cost less accumulated depreciation and are depreciated over their estimated useful lives using the straight-line method based on the following periods:

Buildings and building components	3 to 40 years
Equipment	3 to 40 years
Buildings under finance leases	Lease term
Equipment under finance leases	Lease term

Building components include air conditioning and heating systems, plumbing and electrical fixtures. Equipment includes signage, fuel equipment and in-store equipment.

Leasehold improvements and property and equipment on leased properties are amortized and depreciated over the lesser of their useful lives and the term of the lease.

Property and equipment are tested for impairment should events or circumstances indicate that their book value may not be recoverable, as measured by comparing their net book value to their recoverable amount which corresponds to the higher of fair value less costs to sell and value in use of the asset or cash-generating unit. Should the carrying amount of property and equipment exceed their recoverable amount, an impairment loss in the amount of the excess would be recognized.

The Corporation performs an annual evaluation of residual values, estimated useful lives and depreciation methods used for property and equipment and any change resulting from this evaluation is applied prospectively by the Corporation.

Goodwill

Goodwill is the excess of the cost of an acquired business over the fair value of underlying net assets acquired from the business at the time of acquisition. Goodwill is not amortized. Rather it is tested for impairment annually during the Corporation's first quarter, or more frequently should events or changes in circumstances indicate that it might be impaired. Should the carrying amount of a cash-generating unit's goodwill exceed its recoverable amount, an impairment loss would be recognized.

Intangible assets

Intangible assets mainly comprise trademarks, motor fuel supply agreements and licenses. Trademarks and licenses have indefinite lives since they do not expire, are recorded at cost, are not amortized and are tested for impairment annually during the first quarter, or more frequently should events or changes in circumstances indicate that they might be impaired. Motor fuel supply agreements are recorded at cost and are amortized using the straight-line method over the term of the agreements. Other intangible assets are amortized using the straight-line method over a period of five to ten years.

Deferred charges

Deferred charges are mainly expenses incurred in connection with the analysis and signing of the Corporation's revolving unsecured operating credits amortized using the straight-line method over the period of the corresponding contract. Deferred charges also include expenses incurred in connection with the analysis and signing of operating leases which are deferred and amortized on a straight-line basis over the lease term. Other deferred charges are amortized on a straight-line basis over periods of five to seven years.

3. Accounting policies (continued)

Rent expense

The Corporation accounts for finance leases in instances where it has acquired substantially all the benefits and risks incidental to ownership of the leased property. In some cases, the lease transaction is not always conclusive, and management uses judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and benefits incidental to ownership. The cost of assets under finance leases represents the present value of minimum lease payments or the fair value of the leased property, whichever is lower, and is amortized on a straight-line basis over the term of the lease or useful life of the asset, whichever is shorter. Assets under finance leases are presented under Property and equipment in the consolidated balance sheet.

Leases that do not transfer substantially all the benefits and risks incidental to ownership of the property are accounted for as operating leases. When a lease contains a predetermined fixed escalation of the minimum rent, the Corporation recognizes the related rent expense on a straight-line basis over the term of the lease and, consequently, records the difference between the recognized rental expense and the amounts payable under the lease as deferred rent expense.

The Corporation also receives tenant allowances, which are amortized on a straight-line basis over the term of the lease or useful life of the asset, whichever is shorter.

Gains and losses resulting from sale and leaseback transactions are recorded in the consolidated statements of earnings at the transaction date except if:

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

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

Financing costs

Financing costs related to term loans are included in the initial carrying amount of the corresponding debt and are amortized using the effective interest rate method that is based on the estimated cash flow over the expected life of the liability. Financing costs related to revolving loans are included in other assets and are amortized using the straight-line method over the expected life of the underlying agreement.

Stock-based compensation and other stock-based payments

Stock-based compensation costs are measured at the grant date of the award based on the fair value method for all transactions entered into starting in fiscal year 2003.

The fair value of stock options is recognized over the vesting period of each respective vesting portion as compensation expense with a corresponding increase in contributed surplus. When stock options are exercised, the corresponding contributed surplus is transferred to capital stock.

The Phantom Stock Units ("PSU") compensation cost and the related liability are recorded on a straight-line basis over the corresponding vesting period based on the fair market value of Class B shares and the best estimate of the number of PSUs that will ultimately be paid. The recorded liability is adjusted periodically to reflect any variation in the fair market value of the Class B shares and revisions to the estimated number of PSUs that will ultimately be paid.

Employee future benefits

The Corporation accrues its obligations under employee pension plans and the related costs, net of plan assets. The Corporation has adopted the following accounting policies with respect to the defined benefit plans:

- The accrued benefit obligations and the cost of pension benefits earned by active employees are actuarially determined using the projected unit credit method pro-rated on service and pension expense is recorded in earnings as the services are rendered by active employees. The calculations reflect management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees;
- The discount rate on the benefit obligation is equal to the yield at the measurement date on high quality corporate bonds that have maturity dates approximating the terms of the Corporation's obligations;
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair value;
- Actuarial gains and losses arise from the difference between the actual long-term rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains and losses are recognized in Other comprehensive income without impact on net earnings;
- Past service costs are amortized on a straight-line basis over the average remaining period until the benefits become vested.

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

Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3. Accounting policies (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Corporation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. In order to determine the initial recorded liability, the present value of estimated future cash flows is calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Environmental costs

The Corporation provides for estimated future site remediation costs to meet government standards for known site contaminations when such costs can be reasonably estimated. Estimates of the anticipated future costs for remediation activities at such sites are based on the Corporation's prior experience with remediation sites and consideration of other factors such as the condition of the site contamination, location of sites and experience with contractors that perform the environmental assessments and remediation work. In order to determine the initial recorded liability, the present value of estimated future cash flows was calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Asset retirement obligations

Asset retirement obligations relate to estimated future costs to remove underground motor fuel storage tanks and are based on the Corporation's prior experience in removing these tanks, estimated tank useful life, lease terms for those tanks installed on leased properties, external estimates and governmental regulatory requirements. A discounted liability is recorded for the fair value of an asset retirement obligation with a corresponding increase to the carrying value of the related long-lived asset at the time an underground storage tank is installed. To determine the initial recorded liability, the future estimated cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amount added to property and equipment is amortized and an accretion expense is recognized in connection with the discounted liability over the remaining life of the tank or lease term for leased properties.

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

Obligations related to general liability and workers' compensation

In the United States, the Corporation is self-insured for certain losses related to general liability and workers' compensation. The expected ultimate cost for claims incurred as of the balance sheet date is discounted and is recognized as a liability. This cost is estimated based on analysis of the Corporation's historical data and actuarial estimates. In order to determine the initial recorded liability, the present value of estimated future cash flows is calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Financial instruments recognition and measurement

The Corporation has made the following classifications for its financial assets and liabilities:

Financial assets and liabilities	**Classification**	**Subsequent measurement [1]**	**Classification of gains and losses**
Cash and cash equivalents	Loans and receivables	Amortized cost	Net earnings
Restricted cash	Loans and receivables	Amortized cost	Net earnings
Accounts receivable	Loans and receivables	Amortized cost	Net earnings
Investments in publicly-traded securities	Available for sale	Fair value	Other comprehensive income
Bank indebtedness and long-term debt	Other financial liabilities	Amortized cost	Net earnings
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Net earnings

[1] Initial measurement of all financial assets and liabilities is at fair value.

Hedging and derivative financial instruments

Embedded total return swap

The Corporation uses an investment contract which includes an embedded total return swap to manage current and forecasted risks related to changes in the fair value of the PSUs granted by the Corporation. The embedded total return swap is recorded at fair value on the consolidated balance sheet under other assets.

The Corporation has documented and designated the embedded total return swap as a cash flow hedge of the anticipated cash settlement transaction related to the granted PSUs. The Corporation has determined that the embedded total return swap is an effective hedge at the time of the establishment of the hedge and for the duration of the embedded total return swap. The changes in the fair value of the total return swap are initially recorded in consolidated other comprehensive income and subsequently reclassified to consolidated net earnings in the same period that the change in the fair value of the PSUs affects consolidated net earnings. Should it become probable that the hedged transaction will not occur, any gains, losses, revenues or expenses associated with the hedging item that had previously been recognized in other comprehensive income as a result of applying hedge accounting will be recognized in the reporting period's net earnings under Operating, selling, administrative and general expenses.

Hedge of the net investment in foreign operations

The Corporation has designated its entire US dollar denominated long-term debt as a foreign exchange hedge of its net investment in its foreign operations. Accordingly, the portion of the gains or losses arising from the translation of the US dollar denominated debt that is determined to be an effective hedge is recognized in Other comprehensive income, counterbalancing gains and losses arising from translation of the Corporation's net investment in its foreign subsidiaries. Should a portion of the hedging relationship become ineffective, the ineffective portion would be recorded in the consolidated statement of earnings under Operating, selling, administrative and general expenses.

3. Accounting policies (continued)

Foreign exchange forward contracts

The Corporation uses foreign exchange forward contracts ("forwards") to manage the currency fluctuation risk associated with forecasted cash disbursements in foreign currency. Forwards are recorded at fair value on the consolidated balance sheet. Changes in the fair value of Forwards are recorded in net financial (revenues) expenses.

Guarantees

A guarantee is defined as a contract or an indemnification agreement contingently requiring a Corporation to make payments to a third party based on future events. These payments are contingent on either changes in an underlying or other variables that are related to an asset, liability, or an equity security of the indemnified party or the failure of another entity to perform under an obligating agreement. It could also be an indirect guarantee of the indebtedness of another party. Guarantees are initially recognized at fair value and subsequently revaluated when the loss becomes probable.

Business combinations

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the aggregate of the fair values (at the date of acquisition) of assets given, liabilities incurred or assumed, and equity instruments issued by the Corporation in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognized at their fair values at the acquisition date. Direct acquisition costs are recorded in earnings when incurred.

Goodwill arising from business combinations is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess ("Negative goodwill") is recognized immediately to earnings.

Earnings from the businesses acquired are included in the consolidated statements of earnings from their respective dates of acquisition.

Recently issued accounting standards not yet implemented

Revised Standards

Financial Statement Presentation

In June 2011, the IASB issued amendments to International Accounting Standards ("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. The Corporation will apply these changes for its first quarter of fiscal year 2014 and is still evaluating their impact on its 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. The Corporation is in the process of determining when it will apply these changes and is still evaluating their impact on its 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. The Corporation will apply these changes for its first quarter of fiscal years 2014 and 2015, respectively and is still evaluating their impact on its 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. The Corporation will apply these new standards for its first quarter of fiscal year 2016 and is still evaluating the impact on its consolidated financial statements.

3. Accounting policies (continued)

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. The Corporation will apply these new standards for its first quarter of fiscal year 2014 and is still evaluating their impact on its consolidated financial statements.

4. Business acquisitions

The Corporation has made the following business acquisitions:

2012

- In May 2011, the Corporation purchased 11 company-operated stores located in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia from Shell Canada Products. The Corporation leases the land and buildings for four sites and owns both these assets for the other sites.
- In June 2011, the Corporation signed an agreement with ExxonMobil for 322 stores and motor fuel supply agreements for another 65 stores. All stores are operated in Southern California, United States. The transaction is scheduled to close in stages: the first stages occurred during the month of August 2011. The transaction is subject to standard regulatory approvals and closing conditions. The following is a summary of progress made during the 2012 fiscal year and steps that should be completed subsequently:
  - In August 2011, the Corporation purchased one company-operated store for which it owns the land and building and it acquired the motor fuel supply agreements for 63 other stores;
  - In October 2011, the Corporation acquired one company-operated store for which it owns the land and building as well as 83 stores operated by independent operators for which the Corporation owns the buildings and leases the land;
  - At end of October 2011 and beginning of November 2011, the Corporation acquired 72 company-operated stores for which it owns the land and buildings for 37 stores and leases the land and owns the building for the other stores;
  - Between January 29, 2012 and April 29, 2012, the Corporation acquired eight stores operated by independent operators for which the real estate is owned by the Corporation along with the related motor fuel supply agreements. Additionally, during this time period, 13 independent operators elected to accept ExxonMobil’s *bona fide* offer. Consequentially, 13 fuel supply agreements were transferred to the Corporation during this period;
  - Subsequent to fiscal year 2012 and consequentially not reflected into the purchase price allocation table below :
    - As at April 29, 2012, 144 sites operated by independent operators along with related motor fuel supply agreements remained to be integrated to the Corporation’s network. However, the sale to the Corporation by ExxonMobil of real estate for these sites is conditional to ExxonMobil’s obligation to submit a *bona fide* offer to each independent operator. If the offer is accepted by the independent operator than only the motor fuel supply agreement is transferred to the Corporation.
    - The Corporation expects to acquire 126 stores operated by independent operators and for which the real estate should be owned by the Corporation and expects 18 fuel supply agreements to be transferred to the Corporation.
- On October 13, 2011, the Corporation acquired from Chico Enterprises Inc., 26 company-operated stores operating in northern West Virginia, United States. The Corporation owns the real estate for 25 sites and owns the building and leases the land for the other site.

(in millions of US dollars, except share and stock option data)

4. Business acquisitions (continued)

- On November 16 and 17, 2011, the Corporation acquired from ExxonMobil, 33 company-operated stores operating under the "On the Run" banner in Louisiana, United States. The Corporation owns the buildings for 33 sites as well as land for 25 sites and leases the land for the other eight sites.

- On December 12, 2011, the Corporation acquired from Neighbors Stores Inc., 11 company-operated stores operating under the "Neighbors" banner in North Carolina, United States. The Corporation owns the buildings for eight sites as well as land for nine sites and leases theses same assets for the other sites.

- On April 11, 2012, the Corporation acquired from Dead River Company, 17 company-operated stores operating in Maine, United States. Two quick service restaurants were also transferred to the Corporation. The Corporation owns the buildings and land for 16 sites and leases these same assets for the other three sites.

- During fiscal year 2012, the Corporation also acquired 19 other stores through distinct transactions. The Corporation leases the land and buildings for 11 sites and owns both these assets for the other sites.

Acquisition costs in the amount of $6.8 are included in Operating, selling, administrative and general expenses in connection with these and other unrealized acquisitions.

These acquisitions were settled for a total cash consideration of $380.3. Since the Corporation has not completed its fair value assessment of the net assets acquired for all transactions, the preliminary allocations of certain acquisitions are subject to adjustments to the fair value of the assets and liabilities until the process is completed. Purchase price allocations based on the estimated fair value on the dates of acquisition are as follows:

	$
Tangible assets acquired	
Inventories	**19.2**
Property and equipment	**281.4**
Other assets	**5.5**
Total tangible assets	**306.1**
Liabilities assumed	
Accounts payable and accrued liabilities	**1.3**
Provisions	**30.9**
Total liabilities	**32.2**
Net tangible assets acquired	**273.9**
Intangible assets	**45.8**
Goodwill	**67.5**
Negative goodwill recorded to Operating, selling, administrative and general expenses	**(6.9)**
Total consideration paid	**380.3**

The Corporation expects that approximately $4.8 of the goodwill related to these transactions will be deductible for tax purposes.

These acquisitions were concluded in order to expand the Corporation’s market share and to increase its economies of scale. These acquisitions generated goodwill in the amount of $67.5 mainly due to the location of stores which is favorable to the Corporation’s operations: accessible location, limited competition, proximity to target clientele. Since the date of acquisition, revenues and net earnings from these stores amounted to $1,254.3 and $5.8, respectively. Considering the nature of these acquisitions, the available financial information does not allow for the accurate disclosure of pro-forma Revenues and Net earnings had the Corporation concluded these acquisitions at the beginning of the year.

On May 11, 2011, the Corporation, through its RDK Ventures LLC (“RDK”) joint venture, purchased four company-operated stores located in the Chicago area, United States, from Gas City, Ltd. RDK leases the land and buildings for one site and owns both these assets for the other sites.

On November 8, 9 and 10, 2011, the Corporation, through the RDK joint venture, 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, owns the building and leases the land for two sites and leases both these assets for the remaining site.

2011

- On September 9, 2010, the Corporation acquired ten company-operated stores from Compac Food Stores Inc. Nine of the stores are located in the greater Mobile, Alabama area and one is located in Pensacola, Florida. The Corporation owns all buildings while it leases the land for four stores and owns the other six.

- On September 30, 2010, the Corporation acquired 12 company-operated stores located in central Indiana from Crystal Flash Petroleum, LLC. The Corporation owns the land and building for one site, leases those same assets for ten sites and owns the building and leases the land for another site.

- During fiscal year 2011, the Corporation also acquired 25 other stores through 21 distinct transactions. The Corporation owns the land and buildings for 15 sites and it leases both these assets for the other ten sites.

(in millions of US dollars, except share and stock option data)

4. Business acquisitions (continued)

Acquisition costs in the amount of $10.4 are included in Operating, selling, administrative and general expenses in connection with these and other unrealized acquisitions.

These acquisitions were settled for a total cash consideration of $37.8. Purchase price allocations based on the fair value on the dates of acquisition are as follows:

	$
Tangible assets acquired	
Inventories	**2.5**
Property and equipment	**29.4**
Other assets	**0.2**
Total tangible assets	**32.1**
Liabilities assumed	
Accounts payable and accrued liabilities	**0.3**
Provisions	**1.0**
Total liabilities	**1.3**
Net tangible assets acquired	**30.8**
Goodwill	**7.0**
Total consideration paid	**37.8**

Approximately $2.3 of the goodwill related to these transactions was deductible for tax purposes.

These acquisitions were concluded in order to expand the Corporation's market share and to increase its economies of scale. These acquisitions generated goodwill in the amount of $7.0 mainly due to the location of stores which is favorable to the Corporation's operations: accessible location, limited competition, proximity to target clientele.

5. Interest in a joint venture

The Corporation owns a 50.01% interest in a joint venture, RDK, which operates convenience stores located in the greater Chicago metropolitan area of the United States.

The Corporation's investment in RDK is recorded according to the equity method. The following amounts represent the Corporation's share of RDK's assets, liabilities, revenues, expenses, net earnings and cash flows.

	2012	2011
	$	$
Balance sheets		
Current assets	**25.1**	22.6
Long-term assets	**81.7**	68.5
Current liabilities	**22.9**	17.5
Long-term liabilities	**18.9**	25.4

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Statements of earnings		
Revenues	**546.1**	415.5
Expenses	**524.5**	398.6
Net earnings	**21.6**	16.9
Statements of cash flows		
Operating activities	**25.1**	20.6
Investing activities	**(19.7)**	(4.4)
Financing activities	**(11.3)**	(10.7)

(in millions of US dollars, except share and stock option data)

6. Supplementary information relating to expenses

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Cost of sales	**20,028.4**	15,804.7
Selling expenses	**1,944.2**	1,824.2
Administrative expenses	**207.5**	204.7
	22,180.1	17,833.6

Includes rent expense of $237.1 ($228.7 in 2011), net of sub-leasing income of $26.5 ($20.0 in 2011).

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Employee benefit charges		
Salaries	**776.6**	731.4
Fringe benefits and other employer contributions	**79.0**	76.6
Employee future benefits (Note 23)	**50.3**	50.9
Stock-based compensation and other stock-based payments (Note 22)	**4.8**	3.8
Termination benefits	**1.5**	1.3
	912.2	864.0

7. Compensation of key management personnel

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Salaries and other current benefits	**5.9**	6.5
Stock-based compensation and other stock-based payments	**2.3**	1.8
Employee future benefits (Note 23)	**2.1**	1.7
	10.3	10.0

Key management personnel comprises Members of the Board of Directors and senior management.

8. Net financial expenses

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Financial expenses		
Interest expense		
Interest on long-term debt	**5.5**	20.1
Interest on finance lease liabilities	**0.6**	0.6
Interest on bank overdrafts and bank loans	**-**	0.1
Accretion of provisions (Note 20)	**5.9**	5.4
Amortization and write off of fair value gain on interest rate swaps designated as a cash-flow hedge	**-**	(9.7)
Amortization and write off of deferred financing fees	**-**	8.0
Premium paid on early redemption of subordinated unsecured debt	**-**	4.4
Other finance costs	**1.5**	2.5
	13.5	31.4
Financial revenues		
Interest on bank deposits	**0.2**	0.2
Other financial revenues	**1.0**	1.6
	1.2	1.8
Gain on foreign exchange forward contracts	**17.0**	-
Net financial (revenues) expenses	**(4.7)**	29.6

(in millions of US dollars, except share and stock option data)

9. Income taxes

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Current income taxes	**122.1**	63.3
Deferred income taxes	**24.2**	57.9
	146.3	121.2

The principal items which resulted in differences between the Corporation's effective income tax rates and the combined statutory rates in Canada are detailed as follows:

	2012	2011
	%	%
Combined statutory income tax rate in Canada [a]	**27.91**	29.43
Impact of tax rate changes	**0.11**	0.14
Other permanent differences	**(3.79)**	(4.86)
Effective income tax rate	**24.23**	24.71

(a) The Corporation's combined statutory income tax rate in Canada includes the appropriate provincial income tax rates.

The components of deferred income tax assets and liabilities are as follows:

				2012
	Balance as at April 24, 2011	**Recognized to earnings**	**Recognized directly to other comprehensive income or equity**	**Balance as at April 29, 2012**
	$	**$**	**$**	**$**
Deferred income tax assets				
Expenses deductible during the following years	**7.2**	**4.8**	**(0.5)**	**11.5**
Tax attributes	**1.1**	**1.2**	**-**	**2.3**
Deferred credits	**(0.8)**	**(0.8)**	**-**	**(1.6)**
Property and equipment	**0.1**	**(1.9)**	**-**	**(1.8)**
Goodwill	**0.1**	**(0.7)**	**-**	**(0.6)**
Asset retirement obligations	**-**	**1.5**	**-**	**1.5**
Unrealized exchange gain	**3.8**	**(9.3)**	**3.2**	**(2.3)**
Other	**1.4**	**2.0**	**2.0**	**5.4**
	12.9	**(3.2)**	**4.7**	**14.4**
Deferred income tax liabilities				
Expenses deductible during the following years	**(49.0)**	**(6.2)**	**-**	**(55.2)**
Tax attributes	**(4.2)**	**3.0**	**-**	**(1.2)**
Revenues taxable during the following years	**21.2**	**(17.3)**	**-**	**3.9**
Deferred credits	**(10.3)**	**0.1**	**-**	**(10.2)**
Property and equipment	**208.6**	**45.4**	**-**	**254.0**
Intangible assets	**68.8**	**(0.8)**	**-**	**68.0**
Goodwill	**24.1**	**2.1**	**-**	**26.2**
Asset retirement obligations	**(21.5)**	**(0.3)**	**-**	**(21.8)**
Unrealized exchange gain	**10.2**	**(5.1)**	**(3.2)**	**1.9**
Other	**(3.6)**	**0.1**	**-**	**(3.5)**
	244.3	**21.0**	**(3.2)**	**262.1**

9. Income taxes (continued)

				2011
	Balance as at April 26, 2010	Recognized to earnings	Recognized directly to other comprehensive income or equity	Balance as at April 24, 2011
	$	$	$	$
Deferred income tax assets				
Expenses deductible during the following years	5.7	1.5	-	7.2
Capital and non-capital losses	2.2	(1.1)	-	1.1
Deferred credits	(0.3)	(0.5)	-	(0.8)
Property and equipment	0.3	(0.2)	-	0.1
Goodwill	0.1	-	-	0.1
Unrealized exchange gain	-	-	3.8	3.8
Other	0.6	0.6	0.2	1.4
	8.6	0.3	4.0	12.9
Deferred income tax liabilities				
Expenses deductible during the following years	(40.5)	(8.1)	(0.4)	(49.0)
Capital and non-capital losses	(2.8)	(1.4)	-	(4.2)
Revenues taxable during the following years	7.5	13.7	-	21.2
Deferred credits	(12.5)	2.2	-	(10.3)
Property and equipment	163.2	45.4	-	208.6
Intangible assets	65.2	3.6	-	68.8
Goodwill	20.2	3.9	-	24.1
Asset retirement obligations	(19.3)	(2.2)	-	(21.5)
Unrealized exchange gain	18.3	-	(8.1)	10.2
Other	(5.4)	1.1	0.7	(3.6)
	193.9	58.2	(7.8)	244.3

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2012	2011	2010
	$	$	$
Deferred tax assets:			
Deferred tax asset to be recovered in more than 12 months	**15.2**	12.9	8.6
Deferred tax asset to be recovered within 12 months	**(0.8)**	-	-
	14.4	12.9	8.6
Deferred tax liabilities:			
Deferred tax liabilities to be recovered in more than 12 months	**281.1**	259.9	215.9
Deferred tax liabilities to be recovered within 12 months	**(19.0)**	(15.6)	(22.0)
	262.1	244.3	193.9

Deferred income tax liabilities that would be payable on the retained earnings of certain subsidiaries have not been recognized because such amounts are not expected to materialize in the foreseeable future. Temporary differences related to these investments amounted to $383.2 ($198.1 in 2011).

10. Net earnings per share

The following table presents the information for the computation of basic and diluted net earnings per share:

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Net earnings available to Class A and B shareholders	**457.6**	369.2
Weighted average number of shares (in thousands)	**180,420**	184,637
Dilutive effect of stock options (in thousands)	**3,163**	3,577
Weighted average number of diluted shares (in thousands)	**183,583**	188,214
Basic net earnings per share available for Class A and B shareholders	**2.54**	2.00
Diluted net earnings per share available for Class A and B shareholders	**2.49**	1.96

In calculating diluted net earnings per share for 2012, no stock options (438,035 excluded stock options in 2011) are excluded due to their antidilutive effect.

During its July 10, 2012 meeting, the Corporation’s Board of Directors (the “Board”) declared a dividend of CA$0.075 per share to shareholders on record as at July 19, 2012 and approved its payment for August 2, 2012.

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

(in millions of US dollars, except share and stock option data)

11. Supplementary information relating to the consolidated statements of cash flows

The changes in non-cash working capital are detailed as follows:

	2012 (53 weeks)	2011 (52 weeks)
	$	$
Accounts receivable	**(24.5)**	(41.8)
Inventories	**(3.7)**	(45.1)
Prepaid expenses	**(5.7)**	(0.7)
Accounts payable and accrued liabilities	**87.0**	105.0
Income taxes payable	**31.6**	(27.6)
	84.7	(10.2)

12. Accounts receivable

	2012	2011	2010
	$	$	$
Trade accounts receivable and vendor rebates receivable	**169.0**	120.3	117.2
Credit and debit cards receivable	**206.2**	195.2	135.5
Environmental costs receivable (Note 20)	**2.1**	3.3	3.1
Other accounts receivable	**43.4**	30.3	25.0
	420.7	349.1	280.8

13. Inventories

	2012	2011	2010
	$	$	$
Merchandise – retail	**362.4**	329.4	320.8
Motor fuel	**161.0**	178.2	129.4
Merchandise – distribution centres	**20.5**	18.4	19.7
	543.9	526.0	469.9

(in millions of US dollars, except share and stock option data)

14. Property and equipment

	Land	Building and building components	Equipment	Leasehold improvements	Total
	$	$	$	$	$
As at April 26, 2010					
Cost	551.1	548.7	1,412.3	389.3	2,901.4
Accumulated depreciation and amortization	-	(140.3)	(655.8)	(190.4)	(986.5)
Net book amount	551.1	408.4	756.5	198.9	1,914.9
Portion related to finance leases		0.2	7.7		7.9
Year ended April 24, 2011					
Net book amount, beginning	551.1	408.4	756.5	198.9	1,914.9
Effect of exchange rate variations	2.4	3.8	8.3	3.0	17.5
Additions	15.1	30.2	134.6	37.7	217.6
Business acquisitions	11.4	10.7	7.3	-	29.4
Disposals	(9.9)	(9.3)	(12.2)	(2.0)	(33.4)
Depreciation expense	-	(33.7)	(140.1)	(36.8)	(210.6)
Transfers	-	(13.6)	30.7	(17.1)	-
Net book amount, end	570.1	396.5	785.1	183.7	1,935.4
As at April 24, 2011					
Cost	570.1	564.8	1 576.3	401.1	3 112.3
Accumulated depreciation and amortization	-	(168.3)	(791.2)	(217.4)	(1,176.9)
Net book amount	570.1	396.5	785.1	183.7	1,935.4
Portion related to finance leases		0.2	11.2		11.4
Year ended April 29, 2012					
Net book amount, beginning	**570.1**	**396.5**	**785.1**	**183.7**	**1,935.4**
Effect of exchange rate variations	**(1.4)**	**(2.1)**	**(4.7)**	**(1.8)**	**(10.0)**
Additions	**13.3**	**22.8**	**218.0**	**50.6**	**304.7**
Business acquisitions	**113.6**	**63.1**	**88.6**	**16.1**	**281.4**
Disposals	**(12.3)**	**(9.3)**	**(16.4)**	**(2.1)**	**(40.1)**
Depreciation expense	**-**	**(36.5)**	**(146.3)**	**(40.3)**	**(223.1)**
Transfers	**-**	**-**	**0.7**	**(0.7)**	**-**
Net book amount, end	**683.3**	**434.5**	**925.0**	**205.5**	**2,248.3**
As at April 29, 2012					
Cost	**683.3**	**631.7**	**1,812.4**	**454.4**	**3,581.8**
Accumulated depreciation and amortization	**-**	**(197.2)**	**(887.4)**	**(248.9)**	**(1,333.5)**
Net book amount	**683.3**	**434.5**	**925.0**	**205.5**	**2,248.3**
Portion related to finance leases		**0.1**	**12.1**		**12.2**

(in millions of US dollars, except share and stock option data)

15. Goodwill and Intangible assets

	Goodwill	Trademarks	Fuel supply agreements	Licenses	Other	Total
	$				$	$
As at April 26, 2010						
Cost	425.3	154.7	-	18.8	44.0	217.5
Accumulated amortization	-	-	-	-	(29.3)	(29.3)
Net book amount	425.3	154.7	-	18.8	14.7	188.2
Year ended April 24, 2011						
Net book amount, beginning	425.3	154.7	-	18.8	14.7	188.2
Effect of exchange rate variations	9.2	-	-	-	0.4	0.4
Additions	-	-	-	0.5	4.7	5.2
Business acquisitions	7.0	-	-	-	-	-
Disposals	(0.6)	-	-	-	(1.0)	(1.0)
Depreciation expense	-	-	-	-	(4.2)	(4.2)
Net book amount, end	440.9	154.7	-	19.3	14.6	188.6
As at April 24, 2011						
Cost	440.9	154.7	-	19.3	48.2	222.2
Accumulated amortization	-	-	-	-	(33.6)	(33.6)
Net book amount	440.9	154.7	-	19.3	14.6	188.6
Year ended April 29, 2012						
Net book amount, beginning	**440.9**	**154.7**	**-**	**19.3**	**14.6**	**188.6**
Effect of exchange rate variations	**(5.5)**	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Additions	**-**	**-**	**-**	**0.2**	**3.4**	**3.6**
Business acquisitions	**67.5**	**-**	**45.8**	**-**	**-**	**45.8**
Disposals	**-**	**-**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.3)**
Depreciation expense	**-**	**-**	**(15.8)**	**-**	**(4.7)**	**(20.5)**
Net book amount, end	**502.9**	**154.7**	**29.9**	**19.4**	**13.0**	**217.0**
As at April 29, 2012						
Cost	**502.9**	**154.7**	**45.5**	**19.4**	**51.7**	**271.3**
Accumulated amortization	**-**	**-**	**(15.6)**	**-**	**(38.7)**	**(54.3)**
Net book amount	**502.9**	**154.7**	**29.9**	**19.4**	**13.0**	**217.0**

16. Other assets

	2012	2011	2010
	$	$	$
Investment contract including an embedded total return swap (Note 24)	**13.4**	10.0	3.5
Environmental costs receivable (Note 20)	**13.0**	14.8	17.6
Deferred charges, net	**9.1**	7.4	9.4
Deposits	**7.3**	2.0	1.6
Other	**25.4**	23.8	23.7
	68.2	58.0	55.8

17. Accounts payable and accrued liabilities

	2012	2011	2010
	$	$	$
Accounts payable and accrued expenses	**812.7**	701.7	618.2
Taxes payable	**91.1**	109.7	87.4
Salaries and related benefits	**74.3**	78.8	69.3
Deferred credits	**14.7**	13.4	14.7
Other	**32.9**	32.9	32.1
	1,025.7	936.5	821.7

(in millions of US dollars, except share and stock option data)

18. Long-term debt

	2012	2011	2010
	$	$	$
US dollar term revolving unsecured operating credit A, maturing in September 2012 [(a)]	**312.7**	330.4	185.6
Canadian dollar term revolving unsecured operating credit A, maturing in September 2012 [(a)]	**13.6**	-	52.4
US dollar term revolving unsecured operating credit B, maturing in September 2012 [(a)]	**147.3**	155.6	87.4
Canadian dollar term revolving unsecured operating credit B, maturing in September 2012 [(a)]	**6.7**	-	24.6
US dollar term revolving unsecured operating credit D, maturing in December 2016 [(b)]	**116.0**	-	-
Canadian dollar term revolving unsecured operating credit D, maturing in December 2016 [(b)]	**53.0**	-	-
Subordinated unsecured debt, at amortized cost [(d)]	**-**	-	351.7
Note payable, secured by the assets of certain stores, 8.75%, repayable in monthly instalments, maturing in 2019	**3.6**	3.9	4.2
Obligations related to buildings and equipment under finance leases, rates varying from 0.44% to 12.28%, payable on various dates until 2019	**12.3**	11.6	10.4
	665.2	501.5	716.3
Current portion of long-term debt	**484.4**	4.6	4.4
	180.8	496.9	711.9

(a) Term revolving unsecured operating credits A, B and C

As at April 29, 2012, the Corporation has credit agreements consisting of three revolving unsecured facilities of initial maximum amounts of $650.0 (Operating credit A), $310.0 (Operating credit B) and $40.0 (Operating credit C) each, with initial terms of five years, 51 months and 42 months respectively. Following the new credit agreement signed and described below in (b), the maximum amounts available were reduced to $326.0 for Operating credit A and $154.0 for Operating credit B. The amount available for Operating credit C remained the same. The used portion of the revolving facilities in excess of the reduced initial amounts was transferred to the new credit facility described below in (b).

The credit facilities 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 dollar bankers' acceptances, with stamping fees and iv) in the form of standby letters of credit not exceeding $50.0 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 the LIBOR rate plus a variable margin;

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

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

(b) Term revolving unsecured operating credit D

On December 9, 2011, the Corporation entered into a new credit agreement consisting of a revolving unsecured facility of an initial maximum amount of $1,000.0 (Operating credit D) with an initial term of five years. The credit facility 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.

Standby fees, which vary based on a leverage ratio and on the utilization rate of the credit facility, 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 credit agreement, the Corporation must maintain certain financial ratios and respect certain restrictive provisions.

(c) Unsecured non-revolving acquisition credit facility

On April 16, 2012, the Corporation entered into a new credit agreement consisting of an unsecured non-revolving acquisition credit facility of an initial maximum amount of $3,200.0 ("acquisition facility") with an initial term of three years. The acquisition facility is available exclusively to finance, directly or indirectly, the acquisition of Statoil Fuel & Retail ASA and the related acquisition costs or the repayment of any of Statoil Fuel & Retail ASA and its subsidiaries' outstanding debt. The acquisition facility is available i) in Canadian dollars by the way of prime rate loans or bankers' acceptances, ii) in US dollars by the way of US base rate loans or LIBOR loans. 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.

(in millions of US dollars, except share and stock option data)

18. Long-term debt (continued)

Under the credit agreement, the Corporation must maintain certain financial ratios and respect certain restrictive provisions. The acquisition facility was unused as at April 29, 2012.

As at April 29, 2012, the weighted average effective interest rate for Operating credits A, B, C and D is 0.82% (0.75% in 2011 and 0.86% in 2010) for the US dollar portion and 1.95% (1.05% in 2010) for the Canadian dollar portion. In addition, CA$1.4 (CA$0.6 in 2011 and CA$0.9 in 2010) and $28.5 ($29.4 in 2011 and $26.6 in 2010) are used for standby letters of credit. As at April 29, 2012, April 24, 2011 and April 26, 2010, the available lines of credit were unused and the Corporation was in compliance with the restrictive provisions and ratios imposed by the credit agreements. As at April 29, 2012, April 24, 2011 and April 26, 2010, Operating credit C was unused.

(d) Subordinated unsecured debt

During fiscal 2011, the Corporation proceeded to the early redemption of its Subordinated unsecured debt (the “debt”) at a price of 101.25% of the principal amount. The total amount disbursed for the redemption was $354.4, consisting of the nominal value of $350.0 plus the premium of $4.4. At time of redemption, the debt had a book value of $351.4. Therefore, a pre-tax negative net impact of $3.0 was recorded to earnings. This negative net impact comprises the $4.4 premium paid, net of a $1.4 gain which represents the difference between the debt’s book value of $351.4 and the nominal value of $350.0. The debt of a nominal amount of $350.0 initially matured on December 15, 2013 and bore interest at a nominal rate of 7.5% (effective rate of 7.35%). The debt agreement imposed restrictions on certain transactions.

As for the consolidated cash flows presentation, the total amount disbursed of $354.4 is divided in three distinct amounts:

1. A premium of $4.4 paid for the early redemption. This amount is included in operating activities.
2. An amount of $17.4 which represents financing fees paid at the issuance of the debt during fiscal year 2004. This amount is presented as Deemed interest on repayment of long-term debt under operating activities.
3. An amount of $332.6, which represents the net amount received at the issuance of the debt during fiscal year 2004, which is the nominal value of $350.0 less financing fees of $17.4. The amount of $332.6 is presented under financing activities.

Instalments on long-term debt for the next fiscal years are as follows:

	Obligations related to buildings and equipment under finance leases	Other loans denominated in US dollars	Other loans denominated in Canadian dollars
	$	$	CA$
2013	4.3	460.3	19.9
2014	3.9	0.4	-
2015	2.9	0.4	-
2016	1.8	0.4	-
2017	1.3	116.5	52.0
2018 and thereafter	0.4	1.6	-
	14.6		
Interest expense included in minimum lease payments	2.3		
	12.3		

19. Deferred credits and other liabilities

	2012	2011	2010
	$	$	$
Deferred rent expense	**41.2**	34.2	27.0
Accrued pension benefit liability (Note 23)	**39.5**	32.3	27.2
Deferred branding credits	**13.8**	12.6	14.5
Deferred credits	**4.6**	8.0	12.6
Other liabilities	**62.3**	52.4	46.7
	161.4	139.5	128.0

(in millions of US dollars, except share and stock option data)

20. Provisions

The reconciliation of the Corporation's main provisions is as follows:

	Asset retirement obligations (a)	Provision for site restoration costs (b)	Provision for workers' compensation (c)	Provision for general liability (c)	Other provisions	Total
	$	$	$	$	$	$
2012						
Balance, beginning of year	**60.8**	**25.5**	**25.0**	**13.7**	**-**	**125.0**
Liabilities incurred	**0.7**	**8.9**	**14.3**	**5.5**	**-**	**29.4**
Liabilities settled	**(1.5)**	**(7.8)**	**(14.3)**	**(6.3)**	**-**	**(29.9)**
Accretion expense	**4.8**	**0.3**	**0.7**	**0.1**	**-**	**5.9**
Business acquisitions	**2.1**	**28.8**	**-**	**-**	**-**	**30.9**
Reversal of provisions	**-**	**(3.1)**	**-**	**-**	**-**	**(3.1)**
Change in estimates	**-**	**(0.2)**	**-**	**0.1**	**-**	**(0.1)**
Effect of exchange rate variations	**(0.4)**	**(0.1)**	**-**	**-**	**-**	**(0.5)**
Balance, end of year	**66.5**	**52.3**	**25.7**	**13.1**	**-**	**157.6**
Current portion of provisions						**50.1**
Long-term portion of provisions						**107.5**
2011						
Balance, beginning of year	56.4	26.6	23.3	12.0	0.8	119.1
Liabilities incurred	0.5	7.7	15.7	9.0	-	32.9
Liabilities settled	(1.6)	(6.2)	(14.4)	(7.4)	(0.8)	(30.4)
Accretion expense	4.5	0.3	0.5	0.1	-	5.4
Business acquisitions	0.4	0.6	-	-	-	1.0
Reversal of provisions	-	(3.8)	(0.1)	(0.1)	-	(4.0)
Change in estimates	-	-	-	0.1	-	0.1
Effect of exchange rate variations	0.6	0.3	-	-	-	0.9
Balance, end of year	60.8	25.5	25.0	13.7	-	125.0
Current portion of provisions						36.3
Long-term portion of provisions						88.7

(a) The total undiscounted amount of estimated cash flows to settle the asset retirement obligations is approximately $148.8 and is expected to be incurred over the next 40 years. Should changes occur in estimated future removal costs, tank useful lives, lease terms or governmental regulatory requirements, revisions to the liability could be made.
(b) Site restoration costs should be incurred over the next 20 years.
(c) Workers' compensation and general liability indemnities should be disbursed over the next five years.

Environmental costs

The Corporation is subject to Canadian and US legislations governing the storage, handling and sale of motor fuel and related products. The Corporation considers that it is compliant with all important aspects of the current environmental legislations.

The Corporation has an ongoing training program for its employees on environmental issues and performs preventive site testing and site restoration in cooperation with regulatory authorities. The Corporation also examines its motor fuel equipment annually.

In each of the US states in which the Corporation operates, with the exception of Michigan, Iowa, Florida, Arizona, Texas, West Virginia and Washington State, there is a state fund to cover the cost of certain environmental remediation activities after the 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 taxes in each of the states finance the trust funds. The Corporation pays annual registration fees and remits sales taxes to applicable states. Insurance coverage is different in the various states.

In order to provide for the above-mentioned restoration costs, the Corporation has recorded a $52.3 provision for environmental costs as at April 29, 2012 ($25.5 as at April 24, 2011 and $26.6 as at April 26, 2010). Of this amount, $19.6 ($11.5 as at April 24, 2011 and $10.1 as at April 26, 2010) is included in current provisions and the remainder is included in long-term provisions. Furthermore, the Corporation has recorded an amount of $15.1 for environmental costs receivable from trust funds as at April 29, 2012 ($18.1 as at April 24, 2011 and $20.7 as at April 26, 2010), of which $2.1 ($3.3 as at April 24, 2011 and $3.1 as at April 26, 2010) is included in Accounts receivable and the remainder is included in Other assets.

(in millions of US dollars, except share and stock option data)

21. Capital stock

Authorized

Unlimited number of shares without par value

First and second preferred shares issuable in series, non-voting, ranking prior to other classes of shares with respect to dividends and payment of capital upon dissolution. The Board of Directors is authorized to determine the designation, rights, privileges, conditions and restrictions relating to each series of shares prior to their issuance.

Class A multiple voting and participating shares, ten votes per share except for certain situations which provide for only one vote per share, convertible into Class B subordinate voting shares on a share-for-share basis at the holder's option. Under the articles of amendment, no new Class A multiple voting shares may be issued.

Class B subordinate voting and participating shares, convertible automatically into Class A multiple voting shares on a share-for-share basis upon the occurrence of certain events.

The order of priority for the payment of dividends is as follows:

- first preferred shares;
- second preferred shares; and
- Class B subordinate voting shares and Class A multiple voting shares, ranking pari passu.

Issued and fully paid

The changes in number of outstanding shares are as follows:

	2012	2011
Class A multiple voting shares		
Balance, beginning of year	**53,694,712**	53,706,712
Repurchase and cancellation of shares [(a) (b)]	**(3,700)**	(12,000)
Conversion into Class B shares	**(4,600)**	-
Balance, end of year	**53,686,412**	53,694,712
Class B subordinate voting shares		
Balance, beginning of year	**129,899,045**	129,942,597
Repurchase and cancellation of shares [(a) (b)]	**(6,969,200)**	(2,768,300)
Issued as part of a previous acquisition	**992**	304
Issued on conversion of Class A shares	**4,600**	-
Stock options exercised	**2,431,159**	2,724,444
Balance, end of year	**125,366,596**	129,899,045

(a) On October 25, 2011, the Corporation implemented a share repurchase program 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, the Corporation 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. All shares repurchased under the share repurchase program are cancelled upon repurchase. The share repurchase period will end no later than October 24, 2012.

(b) From October 25, 2010 to October 24, 2011, the Corporation had a share repurchase program to repurchase up to 2,685,335 of the 53,706,712 Class A multiple voting shares and up to 11,621,801 of the 116,218,014 Class B subordinate voting shares issued and outstanding as at October 20, 2010 (representing 5.0% of the Class A multiple voting shares issued and outstanding and 10.0% of the Class B subordinate voting shares of the public float, as at that date, respectively, as defined by applicable rules). In accordance with Toronto Stock Exchange requirements, the Corporation could repurchase a daily maximum of 1,000 Class A multiple voting shares and of 83,622 Class B subordinate voting shares. When making such repurchases, the number of Class A multiple voting shares and of Class B subordinate voting shares in circulation has been 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

22. Stock-based compensation and other stock-based payments

Stock option plan

The Corporation has a stock option plan (the "Plan") under which it has authorized the grant of up to 16,892,000 stock options for the purchase of its Class B subordinate voting shares.

Stock options have up to a ten-year term, vest 20.0% on the date of the grant and cumulatively thereafter on each anniversary date of the grant and are exercisable at the designated market price on the date of grant. The grant price of each stock option shall not be set below the weighted average closing price for a board lot of the Class B shares on the Toronto Stock Exchange for the five days preceding the grant. Each stock option is exercisable into one Class B share of the Corporation at the price specified in the terms of the stock option. During fiscal 2012, to allow option holders to proceed with a cashless exercise of their options, an agreement with a broker was put in place to allow them to receive a number of subordinate shares equivalent to the difference between the number of underlying subordinate shares required to settle the exercise of the options.

(in millions of US dollars, except share and stock option data)

22. Stock-based compensation and other stock-based payments (continued)

The table below presents the status of the Corporation's stock option plan as at April 29, 2012 and April 24, 2011 and the changes therein during the years then ended:

	2012		2011	
	Number of stock options	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
		CA$		CA$
Outstanding, beginning of year	**5,957,180**	**11.25**	8,697,098	9.07
Exercised	**(2,460,676)**	**8.15**	(2,724,444)	4.24
Forfeited	**(8,000)**	**16.35**	(15,474)	19.71
Outstanding, end of year	**3,488,504**	**13.42**	5,957,180	11.25
Exercisable stock options, end of year	**3,352,964**	**13.29**	5,672,530	10.97

For 2012, the weighted average share price at the date of exercise for options exercised was CA$30.25 (CA$21.16 in 2011).

The following table presents information on the stock options outstanding and exercisable as at April 29, 2012:

	Options outstanding			Options exercisable	
Range of exercise prices	Number of stock options outstanding as at April 29, 2012	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options exercisable as at April 29, 2012	Weighted average exercise price
CA$			CA$		CA$
6 – 8	1,032,200	0.28	7.36	1,032,200	7.36
8 – 12	897,500	1.48	10.22	897,500	10.22
12 – 16	192,500	6.35	13.98	140,740	13.99
16 – 20	917,060	4.45	17.70	833,280	17.65
20 – 26	449,244	4.51	24.74	449,244	24.74
	3,488,504		13.42	3,352,964	13.29

For 2012, compensation cost charged to the consolidated statements of earnings amounts to $0.4 ($1.1 in 2011).

Deferred Share Unit Plan

The Corporation has a Deferred Share Unit Plan for the benefit of its external directors allowing them, at their option, to receive all or a portion of their annual compensation and directors' fee in the form of Deferred Share Units ("DSUs"). A DSU is a notional unit, equivalent in value to the Corporation's Class B share. Upon leaving the Board of Directors, participants are entitled to receive the payment of their cumulated DSUs either a) in the form of cash based on the price of the Corporation's Class B shares as traded on the open market on the date of payment, or b) in Class B shares bought by the Corporation on the open market on behalf of the participant.

The DSU expense and the related liability are recorded at the grant date. The liability is adjusted periodically to reflect any variation in the market value of the Class B shares. As at April 29, 2012, the Corporation has a total of 80,723 DSUs outstanding (80,704 as at April 24, 2011 and 66,444 as at April 26, 2010) and an obligation of $3.5 ($2.2 as at April 24, 2011 and $1.2 as at April 26, 2010) is recorded in deferred credits and other liabilities. The compensation cost amounts to $1.8 in 2012 and $0.8 in 2011.

Phantom Stock Units

The Corporation has a Phantom Stock Units ("PSU") Plan allowing the Board of Directors, through its Human Resources and Corporate Governance Committee, to grant PSUs to the officers and selected key employees of the Corporation (the "Participants"). A PSU is a notional unit whose value is based on the weighted average reported closing price for a board lot of the Corporation's Class B subordinated voting share (the "Class B share") on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The PSU provides the Participant with the opportunity to earn a cash award based on the weighted average reported closing price for a board lot of the Corporation's Class B subordinated voting share (the "Class B share") on the Toronto Stock Exchange for the five trading days immediately preceding the vesting date of the PSU. Each PSU initially granted vests no later than one day prior to the third anniversary of the grant date subject namely to the achievement of performance objectives of the Corporation, based on external and internal benchmarks, over a three-year performance period. PSUs are not dilutive since they are payable solely in cash.

During 2012, the Corporation granted a total of 140,626 PSUs (192,799 in 2011) while it cancelled 61,257 PSUs (13,054 in 2011) and paid 11,103 (1,082 in 2011). As at April 29, 2012, 435,883 PSUs are outstanding (367,617 as at April 24, 2011 and 188,954 as at April 26, 2010) and an obligation of $5.7 is recorded in accounts payable and accrued liabilities and $6.4 is recorded in deferred credits and other liabilities ($5.0 as at April 24, 2011 and $1.1 as at April 26, 2010). For 2012, the compensation cost amounts to $2.6 ($1.9 for 2011).

(in millions of US dollars, except share and stock option data)

23. Employee future benefits

The Corporation has a number of funded and unfunded defined benefit and defined contribution plans that provide retirement benefits to certain employees.

Defined benefit plans

The Corporation measures its accrued benefit obligation and the fair value of plan assets for accounting purposes on the last Sunday of April of each year. The most recent actuarial valuation of the pension plans for funding purposes was as at December 31, 2011 and the next required valuation will be as at December 31, 2012.

Information about the Corporation's defined benefit plans, in aggregate, is as follows:

	2012	2011
	$	$
Accrued benefit obligation		
Balance, beginning of year	**58.0**	50.9
Current service cost	**1.5**	1.4
Interest cost	**2.9**	2.8
Benefits paid	**(3.3)**	(2.2)
Actuarial losses	**6.9**	2.5
Effect of exchange rate fluctuations	**(1.5)**	2.6
Balance, end of year	**64.5**	58.0

	2012	2011
	$	$
Plans' assets		
Fair value, beginning of year	**25.5**	23.3
Expected return on plans' assets	**1.1**	1.2
Actuarial gains	**0.3**	0.7
Employer contributions	**0.9**	0.5
Benefits paid	**(2.1)**	(1.4)
Effect of exchange rate fluctuations	**(0.7)**	1.2
Fair value, end of year	**25.0**	25.5

Reconciliation of the funded status of the benefit plans to the amount recorded in the consolidated financial statements:

	2012	2011	2010
	$	$	$
Accrued benefit obligation	**(64.5)**	(58.0)	(50.9)
Fair value of plans' assets	**25.0**	25.5	23.3
Funded status of plan - deficit	**(39.5)**	(32.5)	(27.6)
Unamortized past service cost	**-**	0.2	0.4
Accrued benefit liability	**(39.5)**	(32.3)	(27.2)

As at April 29, 2012, the accrued benefit obligation for unfunded pension plans amounts to $38.9 ($31.1 as at April 24, 2011 and $26.5 as at April 26, 2010).

The accrued benefit liability is included in deferred credits and other liabilities.

As at the measurement date, plans' assets consist of:

	Percentage of plans' assets		
	2012	2011	2010
	%	%	%
Asset category			
Equity securities	**30.8**	29.9	27.1
Debt securities and cash	**69.2**	70.1	72.9
Total	**100.0**	100.0	100.0

The expected global rate of return on plans' assets is based on the weighted average of expected returns of the various assets in the plans. Expected returns on plans' assets estimated by the plans' administrator are based on historical returns and analysts' market predictions concerning these assets for the next 12 months.

For fiscal 2012, the effective return on plans' assets amounts to $1.4 ($1.9 in 2011). No individual investment is greater than 5% of plans' total asset value.

The Corporation's pension benefit expense for the fiscal year is determined as follows:

	2012	2011
	$	$
Current service cost, net of employee contributions	**1.5**	1.4
Interest cost	**2.9**	2.8
Expected return on plans' assets	**(1.1)**	(1.1)
Past service cost	**0.2**	0.2
Pension expense for the year	**3.5**	3.3

The expense for the year is included in Operating, selling, administrative and general expenses in the consolidated statement of earnings.

(in millions of US dollars, except share and stock option data)

23. Employee future benefits (continued)

The amount recognized in Other comprehensive income for the fiscal year is determined as follows:

	2012	2011
	$	$
Actuarial losses	**(6.6)**	(1.8)
Less: deferred taxes	**1.7**	0.6
Amount recognized in Other comprehensive income	**(4.9)**	(1.2)

The accumulated amounts recognized in Other comprehensive income for actuarial gains and losses are described as follows:

	$
Balance, beginning of 2011	-
Actuarial losses recognized in 2011	(1.8)
Balance, end of 2011	(1.8)
Actuarial losses recognized in 2012	(6.6)
Balance, end of 2012	(8.4)

The Corporation expects to make a contribution of $2.5 to the defined benefit plans during the next financial year.

The significant weighted average actuarial assumptions which management considers the most likely to determine the accrued benefit obligations and the pension expense are the following:

Accrued benefit obligation

	2012	2011	2010
	%	%	%
Discount rate	**4.80**	5.25	5.50
Rate of compensation increase	**3.90**	4.00	4.00

Pension expense

	2012	2011
	%	%
Discount rate	**5.25**	5.50
Expected rate of return on plans' assets	**4.75**	5.00
Rate of compensation increase	**4.00**	4.00

Experience adjustments are as follows (amounts prior to the date of transition are not presented as the Corporation applies the exemption provided in IFRS 1):

	2012	2011	2010
	$	$	$
Present value of defined benefit obligation	**(64.5)**	(58.0)	(50.9)
Fair value of plans' assets	**25.0**	25.5	23.3
Deficit	**(39.5)**	(32.5)	(27.6)
Experience adjustments on plans' liabilities – Actuarial loss	**(6.9)**	(2.5)	
Experience adjustments on plans' assets – Actuarial gain	**0.3**	0.7	

Defined contribution plans

The Corporation's total pension expense under its defined contribution plans and mandatory governmental plans for 2012 is $46.8 ($46.1 in 2011).

Deferred compensation plan – United States operations

The Corporation sponsors a deferred compensation plan that allows certain employees in its US operations to defer up to 25.0% of their base salary and 100.0% of their cash bonuses for any given year. Interest accrued on the deferral and amounts due to the participants are generally payable on retirement, except in certain limited circumstances. Obligations under this plan amount to $15.0 as at April 29, 2012 ($13.2 as at April 24, 2011 and $9.6 as at April 26, 2010) and are included in Deferred credits and other liabilities.

24. Financial instruments and capital risk management

Financial risk management objectives and policies

The Corporation's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. The Corporation uses forwards to hedge certain risk exposures, primarily foreign currency and price risk.

Foreign currency risk

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, the Corporation's sensitivity to variations in foreign exchange rates is economically limited.

The Corporation is exposed to foreign currency risk with respect to a portion of its long-term debt denominated in US dollars.

As at April 29, 2012, with all other variables held constant, a hypothetical variation of 5.0% of the US dollar against the Canadian dollar would have had a net impact of $21.5 on Other comprehensive income.

As at April 29, 2012, the Corporation was also exposed to foreign currency risk with respect to its potential acquisition of Statoil Fuel & Retail ASA for which the purchase price would be denominated in Norwegian kroners ("NOK") and would be financed using the Corporation's acquisition facility denominated in US dollars. As at April 29, 2012, the Corporation had forwards requiring it to deliver, at various dates until July 26, 2012, US$2.22 billion in exchange for NOK12.82 billion, representing a weighted average rate of NOK5.7879 per US dollar. Variations in the fair value of the forwards are recorded to earnings. As at April 29, 2012, the unrealized gain on these forwards amounted to $17.0 million and was recorded to earnings of fiscal 2012. Thus, 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.

Interest rate risk

The Corporation is exposed to interest rate risk through the portion of its long-term debt bearing interest at a variable rate. The Corporation's policy is to maintain a large portion of its borrowings in variable rate instruments using interest rate swaps when necessary.

The Corporation's fixed rate long-term debt is exposed to a risk of change in its fair value due to changes in interest rates. During fiscal year 2011, the Corporation proceeded with the early redemption of its subordinated unsecured debt. Therefore, the Corporation exposure to the risk of change in fair value is minimal since most of its long-term debt bears interest at a variable rate.

The Corporation is exposed to a risk of change in cash flows due to changes in interest rates on its variable rate long-term debt and does not currently hold any derivative instruments that mitigate this risk. The Corporation analyzes its interest rate risk exposure on an ongoing basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Corporation calculates the impact on net earnings of a defined interest rate shift. Based on variable rate long-term debt balances as at April 29, 2012, the impact on net earnings of a 1.0% shift would have been $4.3.

Credit risk

The Corporation is exposed to credit risk with respect to Cash and cash equivalents, Trade accounts receivable and vendor rebates receivable, Credit and debit cards receivable and the investment contract including an embedded total return swap.

Credit risk related to Trade accounts receivable and vendor rebates receivable is limited considering the nature of the Corporation's activities and its counterparties. As at April 29, 2012, no single creditor accounted for over 10.0% of total Trade accounts receivable and vendor rebates receivable and the related maximum credit risk exposure corresponds to their carrying amount.

The Corporation mitigates the credit risk related to Cash and cash equivalents and Credit and debit cards receivable by dealing with major financial institutions that have very low or minimal credit risk. As at April 29, 2012, the maximum credit risk exposure related to Cash and cash equivalents and Credit and debit cards receivable corresponds to their carrying amount.

The Corporation is exposed to credit risk arising from its embedded total return swap when this swap results in a receivable from the financial institutions. In accordance with its risk management policy, to reduce this risk, the Corporation has entered into this swap with a major financial institution with a very low credit risk.

The Corporation is exposed to credit risk arising from its forwards when these contracts result in an asset. In accordance with its risk management policy, to reduce this risk, the Corporation has entered into these contracts with major financial institutions with very low credit risk.

(in millions of US dollars, except share and stock option data)

24. Financial instruments and capital risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its obligations associated with financial liabilities and lease commitments. The Corporation is exposed to this risk mainly through its Long-term debt, Accounts payable and accrued expenses and lease agreements. The Corporation's liquidity is provided mainly by cash flows from operating activities and borrowings available under its revolving credit facilities.

On an ongoing basis, the Corporation monitors rolling forecasts of its liquidity reserve on the basis of expected cash flows taking into account operating needs, tax situation and capital requirements and ensures that it has sufficient flexibility under its available liquidity resources to meet its obligations.

The contractual maturities of financial liabilities as at April 29, 2012 are as follows:

	Carrying amount	Contractual cash flows	Less than one year	Between one and two years	Between two and five years	More than five years
	$	$	$	$	$	$
Non-derivative financial liabilities (1)						
Accounts payable and accrued liabilities (2)	916.0	916.0	916.0	-	-	-
Term revolving unsecured operating credit A	326.3	327.1	327.1	-	-	-
Term revolving unsecured operating credit B	154.0	154.4	154.4	-	-	-
Term revolving unsecured operating credit D	169.0	180.0	2.4	2.4	175.2	-
Other long-term debt	15.9	19.4	5.0	4.5	7.8	2.1
	1,581.2	1,596.9	1,404.9	6.9	183.0	2.1

(1) Based on spot rates, as at April 29, 2012, for balances in Canadian dollars and balances bearing interest at variable rates.
(2) Excludes deferred credits as well as statutory accounts payable and accrued liabilities such as sales taxes, excise taxes, property taxes and certain payroll benefits.

Price risk

The Corporation is exposed to price risk with respect to its obligation related to its PSU Plan which fluctuates in part with the fair value of the Corporation's Class B shares. To mitigate this risk, the Corporation has entered into a financial arrangement with an investment grade financial institution which includes an embedded total return swap with an underlying representing Class B shares recorded at fair market value on the consolidated balance sheet under Other assets. The financial arrangement is adjusted as needed to reflect new awards, adjustments and/or settlements of PSUs. As at April 29, 2012, the impact on net earnings or shareholders' equity of a 5.0% shift of the value of the contract would not have been significant.

Fair values

The fair value of Trade accounts receivable and vendor rebates receivable, Credit and debit cards receivable and Accounts payable and accrued liabilities is comparable to their carrying amount given their short maturity and the carrying value of the Term revolving unsecured operating credits approximates their fair value given that their credit spread is similar to the credit spread the Corporation would obtain in similar conditions at the reporting date.

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments:

- The fair value of the investment contract including an embedded total return swap is based on the fair market value of the Corporation's Class B shares;
- The fair value of the forwards was determined by comparing the original rates of the contracts with rates prevailing at the revaluation date for contracts having similar values and maturities.
- The fair value of the subordinated unsecured debt was estimated based on the discounted cash flows of the debt at the Corporation's estimated incremental borrowing rates for debt of the same remaining maturities. As at April 26, 2010, the subordinated unsecured debt's had a carrying amount of $351.7 and a fair value of $357.0.

Fair value hierarchy

Fair value measurements recognized in the consolidated balance sheet are categorized in accordance with the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included in Level 1 but that are observable for the asset or liability, either directly or indirectly; and
Level 3: inputs for the asset or liability that are not based on observable market data.

The Corporation categorized the fair value measurement of the Instrument including an embedded total return swap and the forwards in Level 2, as they are primarily derived from observable market inputs, that are, quoted market prices.

(in millions of US dollars, except share and stock option data)

24. Financial instruments and capital risk management (continued)

Capital risk management

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital. The Corporation's capital comprises total Shareholders' equity and net interest-bearing debt. Net interest-bearing debt refers to Long-term debt and its current portion, net of Cash and cash equivalents and temporary investments, if any.

In order to maintain or adjust the capital structure, the Corporation may issue new shares, redeem its shares, sell assets to reduce debt or adjust the amount of dividends paid to shareholders (Notes 18 and 21).

In its capital structure, the Corporation considers its stock option, PSU and DSU plans (Note 22). The Corporation's share repurchase program is also one of the tools it uses to achieve its objectives (Note 21).

The Corporation monitors capital on the basis of the net interest-bearing debt to total capitalization ratio and also monitors its credit ratings as determined by third parties. As at the consolidated balance sheet date, the net interest-bearing debt to total capitalization ratio was as follows:

	2012	2011	2010
	$	$	$
Current portion of long-term debt	**484.4**	4.6	4.4
Long-term debt	**180.8**	496.9	711.9
Less: Cash and cash equivalents	**304.3**	309.7	215.7
Net interest-bearing debt	**360.9**	191.8	500.6
Shareholders' equity	**2,174.6**	1,979.4	1,660.0
Net interest-bearing debt	**360.9**	191.8	500.6
Total capitalization	**2,535.5**	2,171.2	2,160.6
Net interest-bearing debt to total capitalization ratio	**14.2%**	8.8%	23.2%

Under its term revolving unsecured operating credits, the Corporation must meet the following ratios on a consolidated basis:

- A leverage ratio, which is the ratio of total Long-term debt less Cash and cash equivalents to EBITDA for the four most recent quarters. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-IFRS measure;
- A fixed charge coverage ratio, which is the ratio of EBITDAR for the four most recent quarters to the total interest expense and the rent payments in the same periods. EBITDAR is a non-IFRS measure and is calculated as EBITDA plus rent payments.

The Corporation monitors these ratios regularly and is in compliance with these covenants.

The Corporation is not subject to any other significant externally imposed capital requirement.

25. Contractual obligations

Minimum lease payments

As at April 29, 2012, the Corporation has entered into operating lease agreements expiring on various dates until 2032 which call for aggregate minimum lease payments of $1,555.0 in the United States and of CA$806.4 in Canada for the rental of commercial space, equipment and a warehouse. Several of these leases contain renewal options and certain sites are subleased to third parties. The minimum lease payments for the next fiscal years are as follows:

	United States	**Canada**
	$	**CA$**
Less than one year	**169.9**	**94.9**
One to five years	**577.9**	**275.2**
More than five years	**807.2**	**436.3**

As at April 29, 2012, the total amount of future minimum sublease payments expected to be received under sublease agreements related to these operating leases is $40.5.

Purchase commitments

The Corporation has entered into various product purchase agreements that require it to purchase minimum amounts or quantities of merchandise and motor fuel annually. The Corporation has generally exceeded such minimum requirements in the past and expects to continue doing so for the foreseeable future. Failure to satisfy the minimum purchase requirements could result in termination of the contracts, change in pricing of the products, payments to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received.

(in millions of US dollars, except share and stock option data)

26. Contingencies and guarantees

Contingencies

Various claims and legal proceedings have been initiated against the Corporation in the normal course of its operations. In management's opinion, these claims and proceedings are unfounded. Management estimates that any payments resulting from their outcome are not likely to have a substantial negative impact on the Corporation's results and financial position.

Guarantees

The Corporation assigned a number of lease agreements for premises to third parties. Under some of these agreements, the Corporation retains ultimate responsibility to the landlord for payment of amounts under the lease agreements should the sublessees fail to pay. As at April 29, 2012, the total future lease payments under such agreements are approximately $1.3 and the fair value of the guarantee is not significant. Historically, the Corporation has not made any significant payments in connection with these indemnification provisions.

27. Segmented information

The Corporation operates convenience stores in the United States and Canada. It essentially operates in one reportable segment, the sale of goods for immediate consumption and motor fuel through corporate stores or franchise operations. It operates a convenience store chain under three main banners, Couche-Tard, Mac's and Circle K. Revenues from outside sources fall mainly into two categories: merchandise and services and motor fuel.

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

			2012 (53 weeks)
	US	**Canada**	**Total**
	$	**$**	**$**
External customer revenues [(a)]			
Merchandise and services	**4,408.0**	**2,190.9**	**6,598.9**
Motor fuel	**13,673.8**	**2,724.8**	**16,398.6**
	18,081.8	**4,915.7**	**22,977.5**
Gross profit			
Merchandise and services	**1,452.6**	**729.8**	**2,182.4**
Motor fuel	**637.9**	**148.8**	**786.7**
	2,090.5	**878.6**	**2,969.1**
Total long-term assets [(b)]	**2,454.3**	**633.7**	**3,088.0**

			2011 (52 weeks)
	US	Canada	Total
	$	$	$
External customer revenues [(a)]			
Merchandise and services	4,133.6	2,049.9	6,183.5
Motor fuel	10,218.7	2,148.2	12,366.9
	14,352.3	4,198.1	18,550.4
Gross profit			
Merchandise and services	1,369.8	702.9	2,072.7
Motor fuel	537.3	135.7	673.0
	1,907.1	838.6	2,745.7
Total long-term assets [(b)]	2,070.3	590.8	2,661.1

(a) Geographic areas are determined according to where the Corporation generates operating income (where the sale takes place) and according to the location of the long-term assets.
(b) Excluding financial instruments, deferred tax assets and post-employment benefit assets.

28. Subsequent events

Subsequent to the end of fiscal 2012, between June 19, 2012 and June 29, 2012, the Corporation 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, the Corporation initiated a compulsory acquisition process to buyback the participation of the remaining minority shareholders and ensure that Statoil Fuel & Retail becomes a 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 fuel and convenience products while the others are automated (fuel only) stations. Statoil Fuel & Retail does business in several countries 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.

28. Subsequent events (continued)

This transaction has been financed using the new acquisition facility (Note 18).

Subsequent to the end of fiscal 2012, the Corporation entered into additional forwards requiring it 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, the Corporation has entered into forwards requiring it 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 the offer was announced.

Subsequently, the Corporation 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, the Corporation used a significant portion of the forwards with a value of $2,570.1 million to pay for Statoil Fuel & Retail shares while the remaining NOK at its disposal as well as the NOK that will be received 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.

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

29. First-time adoption of IFRS

These are the first annual consolidated financial statements of the Corporation prepared in accordance with IFRS as issued by the IASB. The date of the Corporation's transition to IFRS is April 26, 2010.

The Corporation's IFRS accounting policies presented in note 3 have been applied in preparing the consolidated financial statements for the year ended April 29, 2012, for the comparative information and for the opening consolidated balance sheet as at the date of transition except for certain mandatory exceptions and elected exemptions listed below.

The Corporation has applied IFRS 1 *First-time Adoption of International Financial Reporting Standards* in preparing its first IFRS consolidated financial statements. The effects of the transition to IFRS on the consolidated balance sheet, consolidated equity, consolidated earnings and comprehensive income and consolidated cash flows are presented in this section and are further explained in the explanatory notes that accompany the tables.

First-time adoption exemptions

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

Mandatory exceptions applied by the Corporation:

- Financial assets and liabilities that had been de-recognized before April 26, 2010 under Canadian GAAP have not been recognized under IFRS.
- The Corporation has only applied hedge accounting in the opening consolidated balance sheet where all the requirements in IAS 39 were met at the date of transition.
- The estimates previously established under Canadian GAAP have not been revised following the adoption of IFRS, unless it was necessary to take into account differences in accounting policies.

Other optional exemptions adopted by the Corporation:

- The Corporation has elected not to apply IFRS 3 "*Business Combinations"* retrospectively to business combinations that occurred before the date of transition (April 26, 2010), including business acquisitions made by the joint venture. See note g) for an explanation of the effect of this exemption.
- For all its employee future benefits plans, the Corporation has elected to recognize all cumulative actuarial gains and losses existing at the transition date in retained earnings. See note d) for an explanation of the effect of this exemption. Furthermore, the Corporation has elected to use the exemption not to disclose the defined benefit plan surplus/deficit and experience gains and losses before the date of transition.
- The Corporation has elected not to retrospectively recognize the effect on the assets of the variances related to its existing asset retirement obligation and similar liabilities, which may have occurred before the transition date.
- The Corporation elected to use facts and circumstances existing as at April 26, 2010 to determine whether an arrangement signed before April 26, 2004 contains a lease. The arrangements signed after that date were evaluated under Canadian GAAP and were not analyzed in detail since this analysis would have given similar conclusions as per IAS 17 and IFRIC 4.
- The Corporation elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after April 29, 2002.
- The Corporation elected to reset all cumulative translation adjustments to zero in opening retained earnings at its transition date.

(in millions of US dollars, except share and stock option data)

29. First-time adoption of IFRS (continued)

Reconciliation of the consolidated balance sheet and Shareholders' equity as at April 26, 2010

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

(in millions of US dollars, except share and stock option data)

29. First-time adoption of IFRS (continued)

Reconciliation of the consolidated balance sheet and Shareholders' equity as at April 24, 2011

		Reconciling items with IFRS								
Explanatory notes	Balance sheet under Canadian GAAP	Sale and leaseback transactions a)	Discounting of provisions b)	Employee future benefits d)	Stock option e)	Joint venture f)	Business combinations - acquisition costs g)	Presentation differences h)	Cumulative translation adjustment reversal i)	Balance sheet under IFRS
	$	$	$	$	$	$	$	$	$	$
Assets										
Current assets										
Cash and cash equivalents	**320.4**					(10.7)				**309.7**
Accounts receivable	**356.1**					(6.9)	(0.1)			**349.1**
Inventories	**530.7**					(4.7)				**526.0**
Prepaid expenses	**21.3**					(0.3)				**21.0**
Income taxes receivable	**26.6**							9.8		**36.4**
Deferred income taxes	**33.9**		(0.2)	2.8				(36.5)		**-**
	1,289.0	-	(0.2)	2.8	-	(22.6)	(0.1)	(26.7)	-	**1,242.2**
Property and equipment	**2,002.8**					(67.2)	(0.2)			**1,935.4**
Goodwill	**442.5**					(1.1)	(0.5)			**440.9**
Intangible assets	**188.6**									**188.6**
Other assets	**66.9**		(0.8)	(7.9)		(0.2)				**58.0**
Investment in a joint venture	-					48.2				**48.2**
Deferred income taxes	**9.8**			3.1						**12.9**
	3,999.6	-	(1.0)	(2.0)	-	(42.9)	(0.8)	(26.7)	-	**3,926.2**
Liabilities										
Current liabilities										
Accounts payable and accrued liabilities	**994.5**	(0.2)				(17.5)		(40.3)		**936.5**
Provisions	**-**							36.3		**36.3**
Current portion of long-term debt	**4.6**									**4.6**
Deferred income taxes	**21.2**							(21.2)		-
	1,020.3	(0.2)	-	-	-	(17.5)	-	(25.2)	-	**977.4**
Long-term debt	**521.8**					(24.9)				**496.9**
Provisions	**-**		(3.3)					92.0		**88.7**
Deferred credits and other liabilities	**299.0**	(95.6)		14.8		(0.5)		(78.2)		**139.5**
Deferred income taxes	**222.4**	37.2	0.7	(0.4)			(0.3)	(15.3)		**244.3**
	2,063.5	(58.6)	(2.6)	14.4	-	(42.9)	(0.3)	(26.7)	-	**1,946.8**
Shareholders' equity										
Capital stock	**323.8**									**323.8**
Contributed surplus	**18.1**				1.2					**19.3**
Retained earnings	**1,444.5**	58.5	1.6	(15.2)	(1.2)		(0.5)		108.6	**1,596.3**
Accumulated other comprehensive income	**149.7**	0.1		(1.2)					(108.6)	**40.0**
	1,936.1	58.6	1.6	(16.4)	-	-	(0.5)	-	-	**1,979.4**
	3,999.6	-	(1.0)	(2.0)	-	(42.9)	(0.8)	(26.7)	-	**3,926.2**

(in millions of US dollars, except share and stock option data)

29. First-time adoption of IFRS (continued)

Reconciliation of consolidated statement of earnings for the fiscal year ended April 24, 2011

Explanatory notes	Statement of earnings under Canadian GAAP	Reconciling items with IFRS: Sale and leaseback transactions a)	Discounting of provisions b)	Onerous contracts c)	Employee future benefits d)	Stock option e)	Joint venture f)	Business combinations - acquisition costs g)	Presentation differences h)	Statement of earnings under IFRS
	$	$	$	$	$	$	$	$	$	$
Revenues	**18,965.9**						(415.5)			**18,550.4**
Cost of sales	**16,180.7**						(376.0)			**15,804.7**
Gross profit	**2,785.2**	-	-	-	-	-	(39.5)	-	-	**2,745.7**
Operating, selling, administrative and general expenses	**2,050.4**	3.0	(0.9)	(0.8)	(0.6)	(0.4)	(18.1)	0.8	(4.5)	**2,028.9**
Depreciation and amortization of property and equipment and other assets	**216.3**						(2.6)			**213.7**
Operating income	**518.5**	(3.0)	0.9	0.8	0.6	0.4	(18.8)	(0.8)	4.5	**503.1**
Share of earnings of a joint venture accounted for using the equity method	**-**						16.9			**16.9**
Financial expenses	**28.1**		0.7				(1.9)		4.5	**31.4**
Financial revenues	**(1.8)**									**(1.8)**
Net financial expenses	**26.3**	-	0.7	-	-	-	(1.9)	-	4.5	**29.6**
Earnings before income taxes	**492.2**	(3.0)	0.2	0.8	0.6	0.4	-	(0.8)	-	**490.4**
Income taxes	**122.1**	(1.2)	0.1	0.2	0.3			(0.3)		**121.2**
Net earnings	**370.1**	(1.8)	0.1	0.6	0.3	0.4	-	(0.5)	-	**369.2**
Changes in cumulative translation adjustments	**40.0**	0.1								**40.1**
Change in fair value of a financial instrument designated as a cash flow hedge	**2.0**									**2.0**
Gain realized on a financial instrument designated as a cash flow hedge transferred to earnings	**(1.3)**									**(1.3)**
Actuarial losses	**-**				(1.2)					**(1.2)**
Comprehensive income	**410.8**	(1.7)	0.1	0.6	(0.9)	0.4	-	(0.5)	-	**408.8**

29. First-time adoption of IFRS (continued)

Explanatory notes related to the reconciliation

a) Recognition of deferred gains on sale and leaseback transactions

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

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

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

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

b) Discounting of provisions

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

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

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

c) Onerous contracts

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

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

Considering this difference, the Corporation has reviewed its existing contracts as at the transition date to identify onerous contracts. This resulted in the recognition of a provision for onerous contracts as at April 26, 2010. This provision was recognized in earnings, reversed as the contracts progressed and entirely reversed as at April 24, 2011. This led to a decrease in Operating, selling, administrative and general expenses for fiscal 2011 following the amortization of the provision.

d) Employee future benefits

i) Actuarial gains and losses

Under Canadian GAAP: Under CICA Handbook Section 3461 *"Employee future benefits"*, for a defined benefit plan, an entity had to use the "corridor" approach and recognize amortization of actuarial gains and losses in a period in which, as of the beginning of the period, the unamortized net actuarial gain or loss exceeded 10% of the greater of:

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

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

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

The Corporation has decided to modify its accounting method and has elected to recognize all actuarial gains and losses directly in equity in Other comprehensive income. Moreover, under IFRS 1, a first-time adopter may elect to recognize all cumulative actuarial gains and losses at the date of transition to IFRS. Therefore, the Corporation elected to reverse unamortized actuarial gains and losses to retained earnings on April 26, 2010. The actuarial losses for 2011 were recognized directly to Other comprehensive income and the amortization amount recognized in earnings under Canadian GAAP was reversed.

29. First-time adoption of IFRS (continued)

ii) Past service costs

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

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

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

e) Stock-based compensation

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

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

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

f) Joint Venture

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

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

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

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

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

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

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

h) Presentation differences

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

i) Deferred income taxes:

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

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

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

ii) Current definition

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

(in millions of US dollars, except share and stock option data)

29. First-time adoption of IFRS (continued)

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

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

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

iii) Provision presentation

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

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

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

iv) Accretion expense

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

Under IFRS: As per IFRIC 1 *"Changes in Existing Decommissioning, Restoration and Similar Liabilities"*, the periodic unwinding of the discount shall be recognized in earnings as a finance cost as it occurs. Also, as per IAS 37 *"Provisions, Contingent Liabilities and Contingent Assets",* where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as finance cost.

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

i) Reversal of the cumulative translation adjustments

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

Cash flow statement

The only significant adjustment to the statement of cash flows is the change of accounting method for the joint venture, from the proportionate consolidation under Canadian GAAP to the equity method under IFRS. The total cash flow amounts for each category that was previously consolidated in the cash flows statement for the joint venture and that are now excluded from the cash flows statement under IFRS for 2011 are as follows:

	2011
	$
Cash and cash equivalents beginning of year	5.2
Operating activities	9.9
Investing activities	(4.4)
Financing activities	-
Cash and cash equivalents end of year	10.7

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