

Q3 2018

ALIMENTATION COUCHE-TARD INC.
MANAGEMENT DISCUSSION & ANALYSIS
16 and 40-week periods ended February 4, 2018



Management Discussion and Analysis

The purpose of this Management Discussion and Analysis (“MD&A”) is, as required by regulators, to explain management’s point of view on the financial condition and results of the operations of Alimentation Couche-Tard Inc. (“Couche-Tard”) as well as its performance during the third quarter of the fiscal year ending April 29, 2018. 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 Couche-Tard’s consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By “we”, “our”, “us” and “the Corporation”, we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars (“US dollars”) and determined on the basis of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). We also use measures in this MD&A that do not comply with IFRS. Where 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 2017 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, is available on SEDAR at <http://www.sedar.com/> and on our website at <http://corpo.couche-tard.com/>.

Forward-Looking Statements

This MD&A includes certain statements that are “forward-looking statements” within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words “believe”, “could”, “should”, “intend”, “expect”, “estimate”, “assume” and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at March 20, 2018, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard’s or the industry’s outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include the effect of sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

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

The foregoing risks and uncertainties include the risks set forth under “Business Risks” in our 2017 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In the United States, we are the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, we are a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden and Denmark), in the Baltic countries (Estonia, Latvia and Lithuania), and in Ireland and we also have an important presence in Poland.

As of February 4, 2018, our network comprised 10,020 convenience stores throughout North America, including 8,698 stores with road transportation fuel dispensing. Our North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 100,000 people are employed throughout our network and at our service offices in North America. In addition, through CrossAmerica Partners LP, we supply road transportation fuel under various brands to more than 1,300 locations in the United States.

In Europe, we operate a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through ten business units. As of February 4, 2018, our network comprised 2,730 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. We also

offer other products, including stationary energy, marine fuel, aviation fuel and chemicals. Including employees at branded franchise stores, approximately 25,000 people work in our retail network, terminals and service offices across Europe.

In addition, under licensing agreements, more than 1,900 stores are operated under the Circle K banner in 14 other countries and territories (China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Malaysia, Mexico, the Philippines, Saudi Arabia, the United Arab Emirates and Vietnam), which brings our worldwide total network to more than 15,900 stores.

Our mission is to offer our customers fast and friendly service by developing a warm and customized relationship with them, while finding ways to pleasantly surprise them on a daily basis. To this end, we strive to meet the demands and needs of people on the go. We offer fresh food, hot and cold beverages, car wash services, road transportation fuel and other high quality products and services designed to meet or exceed customers' demands in a clean, welcoming and efficient 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 enhanced by our experience in the various regions of our network. Our positioning is also a result of our focus on in-store merchandise and on our continued investment in our people and our stores.

Value Creation

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

No matter the context, to create value for our Corporation and its shareholders, acquisitions have to be concluded at reasonable conditions. Therefore, we do not necessarily favor store count growth to the detriment of profitability. In addition to acquisitions, the contribution from organic growth has played an important role in the recent growth of our net earnings. Highlights have included the on-going improvements we have made to our offer, including fresh products, to our supply terms and to our efficiency. All these elements, in addition to our strong balance sheet, have contributed to the growth in our net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

Exchange Rate Data

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

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

| | 16-week periods ended | | 40-week periods ended | |
|-----------------------------------------|-----------------------|------------------|-----------------------|------------------|
| | February 4, 2018 | January 29, 2017 | February 4, 2018 | January 29, 2017 |
| Average for period⁽¹⁾ | | | | |
| Canadian Dollar | 0.7912 | 0.7504 | 0.7822 | 0.7624 |
| Norwegian Krone | 0.1235 | 0.1186 | 0.1230 | 0.1198 |
| Swedish Krone | 0.1211 | 0.1104 | 0.1202 | 0.1152 |
| Danish Krone | 0.1600 | 0.1440 | 0.1568 | 0.1479 |
| Zloty | 0.2833 | 0.2445 | 0.2761 | 0.2517 |
| Euro | 1.1913 | 1.0714 | 1.1667 | 1.1000 |
| Ruble | 0.0173 | 0.0161 | 0.0172 | 0.0157 |

| Period end | As at February 4, 2018 | As at April 30, 2017 |
|-----------------|------------------------|----------------------|
| Canadian Dollar | 0.8119 | 0.7329 |
| Norwegian krone | 0.1306 | 0.1172 |
| Swedish krone | 0.1272 | 0.1135 |
| Danish krone | 0.1678 | 0.1469 |
| Zloty | 0.3007 | 0.2589 |
| Euro | 1.2492 | 1.0930 |
| Ruble | 0.0178 | 0.0176 |

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

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

Overview of the Third Quarter of Fiscal 2018

Net earnings attributable to the shareholders of the Corporation ("net earnings") amounted to \$463.9 million for the third quarter of fiscal 2018, up 61.6% over the third quarter of the previous fiscal year. Diluted net earnings per share stood at \$0.82, compared with \$0.50 for the previous year, up 64.0%.

The results for the third quarter of fiscal 2018 were affected by a net tax benefit of \$196.3 million (of which \$14.1 million is attributable to non-controlling interest) following the approval of the new U.S. federal income tax legislation ("US Tax Cuts and Jobs Act"), a pre-tax net foreign exchange loss of \$9.8 million, a \$6.6 million pre-tax accelerated depreciation and amortization expense and pre-tax incremental costs of \$3.0 million, both in connection with the Corporation's global brand initiative, pre-tax restructuring and integration costs of \$6.8 million, pre-tax acquisition costs of \$4.2 million, pre-tax negative goodwill of \$2.8 million, as well as by pre-tax incremental expenses caused by hurricanes totaling \$1.8 million. The results for the comparable quarter of fiscal 2017 included a \$8.4 million pre-tax accelerated depreciation and amortization expense in connection with the Corporation's global brand initiative, pre-tax acquisition costs of \$6.0 million, a pre-tax restructuring expense of \$6.0 million, a pre-tax net foreign exchange loss of \$3.0 million, as well as a \$2.7 million pre-tax curtailment gain on defined benefits pension plan obligation.

Excluding these items from both comparable periods, the adjusted diluted net earnings per share would have been \$0.54 for the third quarter of fiscal 2018, an increase of 1.9%, driven by the contribution from acquisitions, as well as by the impact of a lower income tax rate, offset by lower road transportation fuel margins in the U.S. and by higher financing expenses following our recent acquisitions.

Changes in our Network

Multi-site acquisitions

On December 22, 2017, we acquired all the membership interest of Holiday Stationstores, LLC. and certain affiliated companies ("Holiday") for a total cash consideration of approximately \$1.6 billion. Holiday is an important convenience store and fuel player in the U.S. Midwest region. As of the closing of the transaction, it had 516 sites, of which 373 were operated by Holiday and 143 were operated by franchisees, as well as 27 dealer contracts. Holiday also operates a strong car wash business with 234 locations at the closing date, 2 food commissaries and a fuel terminal in Newport, Minnesota. Its stores are located in Minnesota, Wisconsin, Washington State, Idaho, Montana, Wyoming, North Dakota, South Dakota, Michigan and Alaska. This acquisition was financed using our available cash and existing credit facilities. From December 22, 2017, Holiday's results, balance sheet and cash flows are included in our consolidated financial statements. During the quarter, we finalized our assessment of the expected annual synergies opportunities associated with the Holiday acquisition which we expect will range from \$50.0 to \$60.0¹ million over the 3 to 4 years following the close of the transaction. These synergies should mainly result from reductions in operating, selling, administrative and general expenses, from improvements in road transportation fuel and merchandises distribution and supply costs, as well as from retail pricing optimization.

On November 28, 2017, we acquired certain assets from Jet Pep, Inc., including a fuel terminal, associated trucking equipment and 18 retail sites located in Alabama. In addition, through a distinct transaction, CrossAmerica Partners LP purchased other assets from Jet Pep, Inc. consisting of 101 commission operated retail sites, including 92 owned sites, 5 leased sites and 4 independent commission accounts.

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

Single-site acquisitions

During the third quarter of fiscal 2018, we acquired one company-operated store through a distinct transaction, for a total of seven company-operated stores since the beginning of fiscal 2018.

Available cash was used for these transactions.

Store construction

We completed the construction, relocation or reconstruction of 22 stores during the third quarter of fiscal 2018, which brings the total to 66 stores since the beginning of fiscal 2018.

As of February 4, 2018, 54 stores were under construction and should open in the upcoming quarters.

Summary of changes in our store network during the third quarter and the first three quarters of fiscal 2018

The following table presents certain information regarding changes in our store network over the 16-week period ended February 4, 2018⁽¹⁾:

| Type of site | 16-week period ended February 4, 2018 | | | | Total |
|-------------------------------------------------------------------------------------|---------------------------------------|---------------------|---------------------|------------------------------------------------|---------------|
| | Company-operated ⁽²⁾ | CODO ⁽³⁾ | DODO ⁽⁴⁾ | Franchised and other affiliated ⁽⁵⁾ | |
| Number of sites, beginning of period | 9,327 | 737 | 1,045 | 1,106 | 12,215 |
| Acquisitions ⁽⁷⁾ | 392 | - | 27 | 143 | 562 |
| Openings / constructions / additions | 21 | 1 | 8 | 24 | 54 |
| Closures / disposals / withdrawals | (28) | (1) | (32) | (20) | (81) |
| Store conversion | 11 | (22) | 10 | 1 | - |
| Number of sites, end of period | 9,723 | 715 | 1,058 | 1,254 | 12,750 |
| CAPL network | | | | | 1,307 |
| Circle K branded sites under licensing agreements | | | | | 1,913 |
| Total network | | | | | 15,970 |
| Number of automated fuel stations included in the period-end figures ⁽⁶⁾ | | | | | 989 |

The following table presents certain information regarding changes in our store network over the 40-week period ended February 4, 2018⁽¹⁾:

| Type of site | 40-week period ended February 4, 2018 | | | | Total |
|---------------------------------------------------|---------------------------------------|---------------------|---------------------|------------------------------------------------|---------------|
| | Company-operated ⁽²⁾ | CODO ⁽³⁾ | DODO ⁽⁴⁾ | Franchised and other affiliated ⁽⁵⁾ | |
| Number of sites, beginning of period | 8,011 | 756 | 1,010 | 1,092 | 10,869 |
| Acquisitions ⁽⁷⁾ | 1,707 | 6 | 74 | 143 | 1,930 |
| Openings / constructions / additions | 65 | 2 | 30 | 82 | 179 |
| Closures / disposals / withdrawals | (91) | (6) | (67) | (64) | (228) |
| Store conversion | 31 | (43) | 11 | 1 | - |
| Number of sites, end of period | 9,723 | 715 | 1,058 | 1,254 | 12,750 |
| CAPL network | | | | | 1,307 |
| Circle K branded sites under licensing agreements | | | | | 1,913 |
| Total network | | | | | 15,970 |

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

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

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

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

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

(6) These sites sell road transportation fuel only.

(7) Exclude CST stores sold to Parkland Fuel Corporation and to Empire as well as the Cracker Barrel stores closed at the acquisition date.

Outstanding transaction

On November 27, 2017, we reached an agreement to sell 100% of our shares in Statoil Fuel & Retail Marine AS to St1 Norge AS. The transaction is subject to the customary regulatory approvals and closing conditions and is expected to close during calendar year 2018.

Issuance of US-dollar-denominated senior unsecured notes

On December 14, 2017, we issued US-dollar-denominated senior unsecured notes totaling \$900.0 million, divided as follows:

| | Notional amount | Maturity | Coupon rate | Effective rate as at February 4, 2018 | Interest payment dates |
|------------|-----------------|-------------------|-------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Tranche 10 | \$600.0 million | December 13, 2019 | 2.350% | 2.5571% | June 13 th and December 13 th |
| Tranche 11 | \$300.0 million | December 13, 2019 | Three-month LIBOR plus 0.500% | 2.0735% | March 13 th , June 13 th , September 13 th and December 13 th |

The net proceeds from those issuances, which were \$893.8 million, were mainly used to repay a portion of our term revolving unsecured operating credit facility and of our acquisition facility.

Interest rate swap

On December 7, 2017, we entered into fixed-to-floating interest rate swap agreements, allowing us to synthetically convert our newly issued fixed interest rate US-dollar-denominated senior unsecured notes into floating interest rate US-dollar-denominated senior unsecured notes. These agreements became effective on December 14, 2017, and all mature on December 13, 2019.

| | Notional amount | Rate |
|-----------|-----------------|-------------------------------|
| | \$ | |
| Tranche 1 | 150.0 million | Three-month LIBOR plus 0.353% |
| Tranche 2 | 150.0 million | Three-month LIBOR plus 0.355% |
| Tranche 3 | 150.0 million | Three-month LIBOR plus 0.350% |
| Tranche 4 | 150.0 million | Three-month LIBOR plus 0.350% |

These agreements are designated as fair value hedges of our US-dollar-denominated senior unsecured notes issued on December 14, 2017.

CST Integration

During the quarter, we finalized our assessment of the expected synergies associated with the CST acquisition. We expect that our synergies will reach \$215.0¹ million over the 3 years following the transaction. These synergies should mainly result from reductions in operating, selling, administrative and general expenses, as well as from improvements in road transportation fuel and merchandises distribution and supply costs. As of February 4, 2018, our annual synergies run rate for the CST acquisition reached approximately \$103.0 million.

Income Taxes

During the third quarter of fiscal 2018, following the approval of the "U.S. Tax Cuts and Jobs Act", we recorded a net tax benefit of \$196.3 million of which \$14.1 million relates to non-controlling interests. This net tax benefit is mostly derived from the remeasurement of our deferred income tax balances using the new U.S. statutory federal income tax rate, which decreased from 35.0% to 21.0%, partly offset by the Deemed Repatriation Transition Tax ("Transition tax"). This benefit is estimated based on our initial analysis of the "U.S. Tax Cuts and Jobs Act", and given the complexity of this act, this estimate is subject to adjustments when further guidance becomes available.

Restructuring

During the quarter, as part of our cost reduction initiatives and the search for synergies aimed at improving our efficiency, we made the decision to proceed with the restructuring of certain of our European and U.S. operations. As such, an additional restructuring expense of \$6.8 million was recorded during the third quarter.

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

Events outside of the normal course of business

During the quarter, our stores network was impacted by increased repairs and maintenance and clean-up costs following the passage of two major hurricanes near the end of the second quarter of fiscal 2018. Incremental costs reached \$1.8 million during the third quarter of fiscal 2018 as our stores continued to recover from these events.

Global Circle K brand

On September 22, 2015, we announced the creation of a new, global convenience brand, Circle K. The new brand will replace our existing Circle K, Statoil, Mac's and Kangaroo Express brands on stores and service stations across Canada (except in Québec), the United States and Europe.

In connection with this project, we incurred additional capital expenditures and other expenses in order to replace and upgrade various existing assets. As a result of our plan for the replacement and upgrade of existing assets, we have accelerated the depreciation and amortization of these assets, including but not limited to, store signage and the Statoil trade name. Consequently, an accelerated depreciation and amortization expense of \$6.6 million and of \$14.5 million were recorded to earnings of the third quarter and of the first three quarters of fiscal 2018, respectively. In addition, incremental costs of \$3.0 million were also recorded during this quarter.

As of February 4, 2018, more than 2,500 stores in North America and close to 1,450 stores in Europe had been rebranded to our new global convenience brand Circle K.

Outstanding shares and stock options

As at March 16, 2018, Couche-Tard had 132,023,873 Class A multiple-voting shares and 432,168,781 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 1,753,692 outstanding stock options for the purchase of Class B subordinate voting shares.

Dividends

During its March 20, 2018 meeting, the Corporation's Board of Directors declared a quarterly dividend of CA 9.0¢ per share for the third quarter of fiscal 2018 to shareholders on record as at March 29, 2018 and approved its payment for April 12, 2018. This is an eligible dividend within the meaning of the Income Tax Act of Canada.

Summary analysis of consolidated results for the third quarter and first three quarters of fiscal 2018

The following table highlights certain information regarding our operations for the 16 and 40-week periods ended February 4, 2018 and January 29, 2017. CAPL refers to CrossAmerica Partners LP.

| | 16-week periods ended | | | 40-week periods ended | | |
|----------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | February 4, 2018 | January 29, 2017 | Variation % | February 4, 2018 | January 29, 2017 | Variation % |
| <i>(in millions of US dollars, unless otherwise stated)</i> | | | | | | |
| Statement of Operations Data: | | | | | | |
| Merchandise and service revenues ⁽¹⁾ : | | | | | | |
| United States | 2,807.3 | 2,188.8 | 28.3 | 7,028.9 | 5,793.0 | 21.3 |
| Europe | 411.9 | 364.9 | 12.9 | 1,052.6 | 912.5 | 15.4 |
| Canada | 596.9 | 519.9 | 14.8 | 1,600.3 | 1,427.1 | 12.1 |
| CAPL | 24.4 | - | 100.0 | 53.9 | - | 100.0 |
| Total merchandise and service revenues | 3,840.5 | 3,073.6 | 25.0 | 9,735.7 | 8,132.6 | 19.7 |
| Road transportation fuel revenues: | | | | | | |
| United States | 7,291.5 | 4,820.7 | 51.3 | 16,909.7 | 12,293.7 | 37.5 |
| Europe | 2,266.3 | 2,027.5 | 11.8 | 5,635.7 | 4,856.6 | 16.0 |
| Canada | 1,554.6 | 1,124.7 | 38.2 | 3,669.7 | 2,149.9 | 70.7 |
| CAPL | 514.1 | - | 100.0 | 1,030.8 | - | 100.0 |
| Elimination of intercompany transactions with CAPL | (89.6) | - | (100.0) | (136.0) | - | (100.0) |
| Total road transportation fuel revenues | 11,536.9 | 7,972.9 | 44.7 | 27,109.9 | 19,300.2 | 40.5 |
| Other revenues ⁽²⁾ : | | | | | | |
| United States | 6.9 | 3.8 | 81.6 | 14.9 | 9.8 | 52.0 |
| Europe | 388.3 | 360.7 | 7.7 | 874.8 | 833.3 | 5.0 |
| Canada | 8.9 | 4.8 | 85.4 | 21.9 | 6.0 | 265.0 |
| CAPL | 16.8 | - | 100.0 | 33.2 | - | 100.0 |
| Elimination of intercompany transactions with CAPL | (6.5) | - | (100.0) | (10.8) | - | (100.0) |
| Total other revenues | 414.4 | 369.3 | 12.2 | 934.0 | 849.1 | 10.0 |
| Total revenues | 15,791.8 | 11,415.8 | 38.3 | 37,779.6 | 28,281.9 | 33.6 |
| Merchandise and service gross profit ⁽¹⁾ : | | | | | | |
| United States | 930.6 | 720.7 | 29.1 | 2,332.8 | 1,919.7 | 21.5 |
| Europe | 173.9 | 155.0 | 12.2 | 443.3 | 382.4 | 15.9 |
| Canada | 203.0 | 175.9 | 15.4 | 551.9 | 478.9 | 15.2 |
| CAPL | 6.3 | - | 100.0 | 13.6 | - | 100.0 |
| Total merchandise and service gross profit | 1,313.8 | 1,051.6 | 24.9 | 3,341.6 | 2,781.0 | 20.2 |
| Road transportation fuel gross profit: | | | | | | |
| United States | 492.5 | 404.6 | 21.7 | 1,432.9 | 1,116.0 | 28.4 |
| Europe | 270.1 | 255.8 | 5.6 | 763.2 | 707.8 | 7.8 |
| Canada | 141.2 | 100.9 | 39.9 | 324.4 | 181.5 | 78.7 |
| CAPL | 23.6 | - | 100.0 | 47.5 | - | 100.0 |
| Total road transportation fuel gross profit | 927.4 | 761.3 | 21.8 | 2,568.0 | 2,005.3 | 28.1 |
| Other revenues gross profit ⁽²⁾ : | | | | | | |
| United States | 7.3 | 3.8 | 92.1 | 15.3 | 9.8 | 56.1 |
| Europe | 50.4 | 57.1 | (11.7) | 131.4 | 143.3 | (8.3) |
| Canada | 8.8 | 4.7 | 87.2 | 21.8 | 6.0 | 263.3 |
| CAPL | 16.8 | - | 100.0 | 33.2 | - | 100.0 |
| Elimination of intercompany transactions with CAPL | (6.5) | - | (100.0) | (10.8) | - | (100.0) |
| Total other revenues gross profit | 76.8 | 65.6 | 17.1 | 190.9 | 159.1 | 20.0 |
| Total gross profit | 2,318.0 | 1,878.5 | 23.4 | 6,100.5 | 4,945.4 | 23.4 |
| Operating, selling, administrative and general expenses | | | | | | |
| Excluding CAPL | 1,573.8 | 1,251.3 | 25.8 | 3,785.7 | 3,097.2 | 22.2 |
| CAPL | 23.4 | - | 100.0 | 45.2 | - | 100.0 |
| Elimination of intercompany transactions with CAPL | (4.2) | - | (100.0) | (8.4) | - | (100.0) |
| Total Operating, selling, administrative and general expenses | 1,593.0 | 1,251.3 | 27.3 | 3,822.5 | 3,097.2 | 23.4 |
| Restructuring and integration costs (including \$5.2 million for CAPL for the 40-week period ended February 4, 2018) | 6.8 | 6.0 | 13.3 | 50.0 | 6.0 | 733.3 |
| Loss (gain) on disposal of property and equipment and other assets | 3.3 | (4.8) | (168.8) | (14.3) | (6.0) | (138.3) |
| Curtailment gain on defined benefits pension plan obligation | - | (2.7) | (100.0) | - | (2.7) | (100.0) |
| Depreciation, amortization and impairment of property and equipment, intangible assets and other assets | | | | | | |
| Excluding CAPL | 256.2 | 210.1 | 21.9 | 613.4 | 513.2 | 19.5 |
| CAPL | 26.7 | - | 100.0 | 44.8 | - | 100.0 |
| Total depreciation, amortization and impairment of property and equipment, intangible assets and other assets | 282.9 | 210.1 | 34.7 | 658.2 | 513.2 | 28.3 |
| Operating income (loss) | | | | | | |
| Excluding CAPL | 437.5 | 418.6 | 4.5 | 1,588.7 | 1,337.7 | 18.8 |
| CAPL | (3.2) | - | (100.0) | (2.2) | - | 100.0 |
| Elimination of intercompany transactions with CAPL | (2.3) | - | (100.0) | (2.4) | - | (100.0) |
| Total operating income | 432.0 | 418.6 | 3.2 | 1,584.1 | 1,337.7 | 18.4 |
| Net earnings including non-controlling interest | 470.8 | 287.0 | 64.0 | 1,266.6 | 931.3 | 36.0 |
| Net (earnings) loss attributable to non-controlling interest | (6.9) | - | (100.0) | (2.7) | - | 100.0 |
| Net earnings attributable to shareholders of the Corporation | 463.9 | 287.0 | 61.6 | 1,263.9 | 931.3 | 35.7 |
| Per Share Data: | | | | | | |
| Basic net earnings per share (dollars per share) | 0.82 | 0.51 | 60.8 | 2.23 | 1.64 | 36.0 |
| Diluted net earnings per share (dollars per share) | 0.82 | 0.50 | 64.0 | 2.23 | 1.63 | 36.8 |
| Adjusted diluted net earnings per share (dollars per share) | 0.54 | 0.53 | 1.9 | 2.02 | 1.68 | 20.2 |

| | 16-week periods ended | | | 40-week periods ended | | |
|-------------------------------------------------------------------------------------|-----------------------|------------------|-------------|-----------------------|------------------|-------------|
| | February 4, 2018 | January 29, 2017 | Variation % | February 4, 2018 | January 29, 2017 | Variation % |
| <i>(in millions of US dollars, unless otherwise stated)</i> | | | | | | |
| Other Operating Data – excluding CAPL: | | | | | | |
| Merchandise and service gross margin ⁽¹⁾ : | | | | | | |
| Consolidated | 34.3% | 34.2% | 0.1 | 34.4% | 34.2% | 0.2 |
| United States | 33.1% | 32.9% | 0.2 | 33.2% | 33.1% | 0.1 |
| Europe | 42.2% | 42.5% | (0.3) | 42.1% | 41.9% | 0.2 |
| Canada | 34.0% | 33.8% | 0.2 | 34.5% | 33.6% | 0.9 |
| Growth of (decrease in) same-store merchandise revenues ⁽³⁾⁽⁴⁾ : | | | | | | |
| United States ⁽⁵⁾ | 0.1% | 1.9% | | 0.5% | 2.2% | |
| Europe | 3.6% | 2.5% | | 2.3% | 3.7% | |
| Canada ⁽⁵⁾ | 0.5% | (0.9%) | | (0.5%) | 0.3% | |
| Road transportation fuel gross margin: | | | | | | |
| United States (cents per gallon) ⁽⁵⁾ | 15.66 | 18.33 | (14.6) | 19.74 | 19.57 | 0.9 |
| Europe (cents per litre) | 7.87 | 7.51 | 4.8 | 8.73 | 8.35 | 4.6 |
| Canada (CA cents per litre) ⁽⁵⁾ | 9.33 | 8.20 | 13.8 | 8.67 | 7.50 | 15.6 |
| Total volume of road transportation fuel sold: | | | | | | |
| United States (millions of gallons) | 3,146.4 | 2,242.4 | 40.3 | 7,258.9 | 5,763.6 | 25.9 |
| Europe (millions of litres) | 3,430.3 | 3,405.3 | 0.7 | 8,755.8 | 8,479.2 | 3.3 |
| Canada (millions of litres) | 1,873.4 | 1,648.5 | 13.6 | 4,656.7 | 3,211.6 | 45.0 |
| Growth of (decrease in) same-store road transportation fuel volume ⁽⁴⁾ : | | | | | | |
| United States ⁽⁵⁾ | (0.4%) | 2.8% | | (0.5%) | 2.9% | |
| Europe | 0.5% | 1.8% | | 0.0% | 1.1% | |
| Canada ⁽⁵⁾ | (0.3%) | (0.8%) | | (0.9%) | (0.4%) | |

(in millions of US dollars, unless otherwise stated)

| | February 4, 2018 | April 30, 2017 | Variation \$ |
|------------------------------------------------------------------------|------------------|----------------|--------------|
| Balance Sheet Data: | | | |
| Total assets (including \$1.3 billion for CAPL) | 22,942.2 | 14,185.6 | 8,756.6 |
| Interest-bearing debt (including \$532.0 million for CAPL) | 9,358.4 | 3,354.9 | 6,003.5 |
| Shareholders' equity | 7,397.6 | 6,009.6 | 1,388.0 |
| Indebtedness Ratios⁽⁶⁾: | | | |
| Net interest-bearing debt/total capitalization ⁽⁷⁾ | 0.53 : 1 | 0.31 : 1 | |
| Net interest-bearing debt/Adjusted EBITDA ⁽⁸⁾⁽¹²⁾ | 2.70 : 1 | 1.09 : 1 | |
| Adjusted net interest-bearing debt/Adjusted EBITDAR ⁽⁹⁾⁽¹²⁾ | 3.39 : 1 | 2.02 : 1 | |
| Returns⁽⁶⁾: | | | |
| Return on equity ⁽¹⁰⁾⁽¹²⁾ | 23.7% | 22.5% | |
| Return on capital employed ⁽¹¹⁾⁽¹²⁾ | 11.8% | 15.8% | |

(1) Includes revenues derived from franchise fees, royalties, suppliers rebates on some purchases made by franchisees and licensees as well as from wholesale of merchandise.

(2) Includes revenues from the rental of assets, from the sale of aviation and marine fuel, heating oil, kerosene, and chemicals.

(3) Does not include services and other revenues (as described in footnotes 1 and 2 above). Growth in Canada and in Europe is calculated based on local currencies.

(4) Exclude the newly acquired Holiday stores.

(5) For company-operated stores only.

(6) These measures are presented as if our investment in CAPL was reported using the equity method as we believe it allows a more relevant presentation of the underlying performance of the Corporation.

(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 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. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation.

(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, net of cash and cash equivalents and temporary investments divided by EBITDA (Earnings before Interest, Tax, Depreciation, Amortization and Impairment) adjusted for specific items. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation.

(9) This measure is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt plus the product of eight times rent expense, net of cash and cash equivalents and temporary investments divided by EBITDAR (Earnings before Interest, Tax, Depreciation, Amortization, Impairment and Rent expense) adjusted for specific items. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation.

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

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

(12) As of February 4, 2018, this ratio is presented for the 53-week period ended February 4, 2018 on a pro forma basis for the acquisitions of CST and Holiday as well as for the stores network acquired from Imperial Oil. As of April 30, 2017, this measure is presented for the 53-week period ended April 30, 2017 on a pro forma basis for the stores network acquired from Imperial Oil. Given the timing of the acquisitions of CST and Holiday, we have not yet completed the fair value assessment of the assets acquired, the liabilities assumed and the goodwill for those transactions. CST and Holiday's earnings and balance sheet figures have been adjusted to make their presentation in line with Couche-Tard's policies.

Revenues

Our revenues were \$15.8 billion for the third quarter of fiscal 2018, up by \$4.4 billion, an increase of 38.3% compared with the corresponding quarter of fiscal 2017, mainly attributable to the contribution from acquisitions, to a higher average road transportation fuel selling price as well as to the positive net impact from the translation of revenues of our Canadian and European operations into US dollars.

For the first three quarters of fiscal 2018, our revenues increased by \$9.5 billion, up by 33.6% compared with the first three quarters of fiscal 2017, mainly attributable to similar factors as those of the third quarter.

More specifically, total merchandise and service revenues for the third quarter of fiscal 2018 were \$3.8 billion, an increase of \$766.9 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's revenues as well as the positive net impact from the translation of our European and Canadian operations into US dollars, merchandise and service revenues increased by approximately \$672.0 million or 21.9%. This increase is attributable to the contribution from acquisitions, which amounted to approximately \$676.0 million as well as to organic growth, partly offset by the closure of stores that did not meet our profitability standards. Excluding our Holiday network, same-store merchandise revenues increased by 0.1% in the United States. Same-store merchandise revenues declined by 1.0% in our CST US stores network, a clear improvement over the trend prior to the acquisition and compared to the second quarter of fiscal 2018, driven by the positive impact of our work on the CST sites layouts and the implementation of some of our key programs. In Europe, same-store merchandise revenues increased by 3.6%, driven by the success of our rebranding activities and the rollout and improvements of our food programs. In Canada, same-store merchandise revenues increased by 0.5%, a nice improvement over the trend of the last few quarters.

For the first three quarters of fiscal 2018, the growth in merchandise and service revenues was \$1.6 billion. Excluding CAPL's revenues as well as the net positive impact from the translation of our European and Canadian operations into US dollars, merchandise and service revenues increased by approximately \$1.5 billion or 17.9%. Acquisitions contributed by approximately \$1.4 billion to this increase. Excluding our Holiday network, same-store merchandise revenues grew by 0.5% in the United States, by 2.3% in Europe and decreased by 0.5% in Canada.

Total road transportation fuel revenues for the third quarter of fiscal 2018 were \$11.5 billion, an increase of \$3.6 billion compared with the corresponding quarter of fiscal 2017. Excluding CAPL's revenues as well as the net positive impact from the translation of revenues of our Canadian and European operations into US dollars, road transportation fuel revenues increased by approximately \$2.9 billion or 36.1%. This increase was attributable to the contribution from acquisitions, which amounted to approximately \$2.0 billion as well as to the impact of a higher average road transportation fuel selling price, which had a positive impact of approximately \$821.0 million. Excluding our Holiday network, same-store road transportation fuel volumes in the US decreased by 0.4%. In our CST U.S. network, which has a strong presence in Texas, same-store road transportation fuel volumes decreased by 0.8%, as our stores were recovering from Hurricane Harvey during the first few months of the quarter, but nonetheless a clear improvement compared to the second quarter of fiscal 2018. In Europe, same-store road transportation fuel volumes increased by 0.5%, while in Canada, same-store road transportation fuel volumes decreased by 0.3%, still impacted by the change in strategy in our CST Canadian network aimed at improving overall profitability.

For the first three quarters of fiscal 2018, the growth in road transportation fuel revenues was \$7.8 billion. Excluding CAPL's revenues, as well as the net positive impact from the translation of our European and Canadian operations into US dollars, road transportation fuel revenues increased by \$6.6 billion or 34.1%. This increase is attributable to the contribution from acquisitions, which amounted to approximately \$4.7 billion, as well as to the impact of a higher average road transportation fuel selling price, which had a positive impact of approximately \$1.9 billion. Excluding our Holiday network, same-store road transportation fuel volumes decreased by 0.5% in the United States, by 0.9% in Canada and were stable in Europe.

The following table shows the average selling price of road transportation fuel in our various markets, starting with the fourth quarter of the fiscal year ended April 24, 2016:

| Quarter | 4 th | 1 st | 2 nd | 3 rd | Weighted average |
|--------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| 53-week period ended February 4, 2018 | | | | | |
| United States (US dollars per gallon) – excluding CAPL | 2.25 | 2.21 | 2.47 | 2.30 | 2.32 |
| Europe (US cents per litre) | 62.46 | 61.39 | 68.23 | 71.19 | 66.46 |
| Canada (CA cents per litre) | 97.20 | 99.81 | 101.46 | 108.11 | 102.25 |
| 52-week period ended January 29, 2017 | | | | | |
| United States (US dollars per gallon) – excluding CAPL | 1.86 | 2.20 | 2.10 | 2.18 | 2.09 |
| Europe (US cents per litre) | 51.59 | 58.65 | 58.01 | 61.87 | 57.83 |
| Canada (CA cents per litre) | 82.28 | 92.66 | 90.36 | 94.67 | 91.30 |

Total other revenues for the third quarter and first three quarters of fiscal 2018 were \$414.4 million and \$934.0 million, respectively. Excluding CAPL's revenues, other revenues increased by \$34.8 million and by \$62.5 million in the third quarter

and first three quarters of fiscal 2018, respectively. The impact of acquisitions for the third quarter and first three quarters of fiscal 2018 was approximately \$5.0 million and \$19.0 million, respectively.

Gross profit

Our gross profit was \$2.3 billion for the third quarter of fiscal 2018, up by \$439.5 million, an increase of 23.4% compared with the corresponding quarter of fiscal 2017, mainly attributable to the contribution from acquisitions, to the net positive impact from the translation of operations of our Canadian and European operations into US dollars as well as to the contribution from CAPL, partly offset by lower fuel margins in the U.S.

In the third quarter of fiscal 2018, our merchandise and service gross profit was \$1.3 billion, an increase of \$262.2 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's gross profit as well as the net positive impact from the translation of our European and Canadian operations into US dollars, merchandise and service gross profit increased by approximately \$230.0 million or 21.9%. This increase is attributable to the contribution from acquisitions, which amounted to approximately \$211.0 million and to our organic growth. Our gross margin increased by 0.2% in the United States to 33.1%. Excluding our CST and Holiday stores networks, which have a different revenue mix and cost structure, our merchandise and service gross margin in the U.S. was 33.3%, an increase of 0.4%. Our gross margin decreased by 0.3% in Europe to 42.2% due to a change in our revenue mix. In Canada, our gross margin increased by 0.2% to 34.0%.

During the first three quarters of fiscal 2018, our consolidated merchandise and service gross profit was \$3.3 billion, an increase of \$560.6 million compared with the corresponding period of fiscal 2017. Excluding CAPL's gross profit as well as the net positive impact from the translation of our European and Canadian operations into US dollars, consolidated merchandise and service gross profit increased by \$513.0 million or 18.4%. The gross margin was 33.2% in the United States, an increase of 0.1%, it was 42.1% in Europe, an increase of 0.2%, while in Canada it was 34.5%, an increase of 0.9%, mainly driven by a different product mix in our Esso stores network.

In the third quarter of fiscal 2018, our road transportation fuel gross profit was \$927.4 million, an increase of \$166.1 million compared with the corresponding quarter of fiscal 2017. Excluding CAPL's gross profit as well as the net positive impact from the translation of our European and Canadian operations into US dollars, our third quarter of fiscal 2018 road transportation fuel gross profit increased by approximately \$114.0 million or 14.9%. Our road transportation fuel gross margin was 15.66¢ per gallon in the United States, a decrease of 2.67¢ per gallon, mainly driven by the volatility created by the rapid and significant rise of crude oil prices during the quarter. In Europe, the road transportation fuel gross margin was US 7.87¢ per litre, an increase of US 0.36¢ per litre, while in Canada, the road transportation fuel gross margin was CA 9.33¢ per litre, an increase of CA 1.13¢ per litre driven by the inclusion of the CST stores in our network and different pricing strategies.

During the first three quarters of fiscal 2018, the consolidated road transportation fuel gross profit was \$2.6 billion, an increase of \$562.7 million compared with the corresponding period of fiscal 2017. Excluding CAPL's gross profit as well as the net positive impact from the translation of our European and Canadian operations into US dollars, consolidated road transportation fuel gross profit increased by approximately \$477.0 million or 23.8%. The road transportation fuel gross margin was 19.74¢ per gallon in the United States, slightly higher than in the previous year, while it stood at CA 8.67¢ per litre in Canada and at US 8.73¢ per litre in Europe.

The road transportation fuel gross margin of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, starting with the fourth quarter of the fiscal year ended April 24, 2016, were as follows:

(US cents per gallon)

| Quarter | 4 th | 1 st | 2 nd | 3 rd | Weighted average |
|------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| 53-week period ended February 4, 2018 | | | | | |
| Before deduction of expenses related to electronic payment modes | 15.47 | 20.75 | 24.70 | 15.66 | 18.88 |
| Expenses related to electronic payment modes | 4.12 | 3.79 | 4.21 | 3.73 | 3.94 |
| After deduction of expenses related to electronic payment modes | 11.35 | 16.96 | 20.49 | 11.92 | 14.94 |
| 52-week period ended January 29, 2017 | | | | | |
| Before deduction of expenses related to electronic payment modes | 16.78 | 20.86 | 19.87 | 18.33 | 18.94 |
| Expenses related to electronic payment modes | 3.74 | 4.08 | 3.99 | 3.99 | 3.96 |
| After deduction of expenses related to electronic payment modes | 13.04 | 16.78 | 15.88 | 14.34 | 14.98 |

As demonstrated by the table above, road transportation fuel margins in the United States can be volatile from one quarter to another but tend to normalize in the longer run. Margin volatility and expenses related to electronic payment modes are not as significant in Europe and Canada.

In the third quarter and first three quarters of fiscal 2018, other revenues gross profit was \$76.8 million and \$190.9 million, respectively, an increase of \$11.2 million and \$31.8 million compared with the corresponding periods of fiscal 2017, respectively.

Excluding CAPL's gross profit, other revenues gross profit increased by \$0.9 million and by \$9.4 million in the third quarter and first three quarters of fiscal 2018, respectively.

Operating, selling, administrative and general expenses (“expenses”)

For the third quarter and first three quarters of fiscal 2018, expenses increased by 27.3% and 23.4%, respectively, compared with the corresponding periods of fiscal 2017, but increased by only 2.4% and 2.7%, respectively, if we exclude certain items as demonstrated by the following table:

| | 16-week period ended February 4, 2018 | 40-week period ended February 4, 2018 |
|-------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Total variance, as reported | 27.3% | 23.4% |
| Adjusted for: | | |
| Increase from incremental expenses related to acquisitions | 20.0% | 16.7% |
| Increase from the net impact of foreign exchange translation | 3.1% | 1.5% |
| CAPL's expenses for fiscal 2018 | 1.9% | 1.5% |
| Increase from higher electronic payment fees, excluding acquisitions | 1.1% | 0.9% |
| Decrease from the lower number of days for European operations (5 days) | (1.1%) | - |
| Acquisition costs recognized to earnings of fiscal 2017 | (0.5%) | (0.5%) |
| Acquisition costs recognized to earnings of fiscal 2018 | 0.3% | 0.4% |
| Incremental costs from our global brand initiatives | 0.2% | 0.1% |
| Negative goodwill recognized to earnings of fiscal 2018 | (0.2%) | (0.1%) |
| Additional costs incurred following Hurricanes Harvey and Irma | 0.1% | 0.2% |
| Remaining variance | 2.4% | 2.7% |

The remaining variance is due to higher minimum wages in certain regions, to normal inflation, to higher advertising and marketing activities in connection with our global brand project, to higher expenses needed to support our organic growth and to proportionally higher operational expenses in our recently built stores, as these stores generally have a larger footprint than the average of our existing network. We continue to favour a rigorous control of costs throughout our organization, while ensuring we maintain the quality of service we offer to our customers.

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

During the third quarter of fiscal 2018, EBITDA increased from \$637.1 million to \$724.1 million, a growth of 13.7% compared with the same quarter last year. Excluding the specific items shown in the table below from EBITDA of the third quarter of fiscal 2018 and of the corresponding period of fiscal 2017, the adjusted EBITDA for the third quarter of fiscal 2018 increased by \$73.3 million or 11.3% compared with the corresponding period of the previous fiscal year, mainly through the contribution from acquisitions and the net positive impact from the translation of operations of our Canadian and European operations into US dollars, partly offset by lower fuel margins in the U.S. Acquisitions contributed approximately \$99.0 million to the adjusted EBITDA of the third quarter of fiscal 2018, while the variation in exchange rates had a net positive impact of approximately \$21.0 million.

During the first three quarters of fiscal 2018, EBITDA increased from \$1.9 billion to \$2.3 billion, a growth of 21.0% compared with the same period last year. Excluding the specific items shown in the table below from EBITDA, the adjusted EBITDA for the first three quarters of fiscal 2018 increased by \$384.6 million or 20.3% compared with the corresponding period of the previous fiscal year, mainly through the contribution from acquisitions, organic growth and the net positive impact from the translation of operations of our Canadian and European operations into US dollars. Acquisitions contributed approximately \$360.0 million to the adjusted EBITDA of the first three quarters of fiscal 2018, while the variation in exchange rates had a net positive impact of approximately \$32.0 million.

It should be noted that EBITDA and adjusted EBITDA are not performance measures defined by IFRS, but we, as well as investors and analysts, consider that those performance measures facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program. Note that our definition of these measures may differ from the one used by other public corporations:

| (in millions of US dollars) | 16-week periods ended | | 40-week periods ended | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|-----------------------|------------------|
| | February 4, 2018 | January 29, 2017 | February 4, 2018 | January 29, 2017 |
| Net earnings, as reported | 470.8 | 287.0 | 1,266.6 | 931.3 |
| Add: | | | | |
| Income taxes | (140.5) | 96.7 | 83.9 | 339.6 |
| Net financial expenses | 110.9 | 43.3 | 259.7 | 90.0 |
| Depreciation, amortization and impairment of property and equipment, intangible assets and other assets | 282.9 | 210.1 | 658.2 | 513.2 |
| EBITDA | 724.1 | 637.1 | 2,268.4 | 1,874.1 |
| Adjusted for: | | | | |
| EBITDA attributable to non-controlling interest | (17.4) | - | (34.0) | - |
| Restructuring and integration costs attributable to shareholders of the Corporation (including \$5.2 million for our interest in CAPL for the 40-week period ended February 4, 2018) | 6.8 | 6.0 | 44.8 | 6.0 |
| Incremental costs from our global brand initiatives | 3.0 | - | 3.0 | - |
| Acquisition costs | 4.2 | 6.0 | 10.9 | 14.6 |
| Negative goodwill | (2.8) | - | (2.8) | - |
| Incremental costs related to hurricanes | 1.8 | - | 6.6 | - |
| Gain on disposal of a terminal | - | - | (11.5) | - |
| Gain on investment in CST | - | - | (8.8) | - |
| Curtailed gain on defined pension plan obligation | - | (2.7) | - | (2.7) |
| Adjusted EBITDA | 719.7 | 646.4 | 2,276.6 | 1,892.0 |

Depreciation, amortization and impairment of property and equipment, intangible assets and other assets (“depreciation”)

For the third quarter and first three quarters of fiscal 2018, depreciation, amortization and impairment expenses increased by \$72.8 million and \$145.0 million, respectively. Excluding CAPL, the depreciation expense increased by \$46.1 million and by \$100.2 million for the third quarter and first three quarters of fiscal 2018, respectively, mainly driven by the impact from investments made through acquisitions, the replacement of equipment, the addition of new stores and the ongoing improvement of our network. The depreciation expense for the third quarter and first three quarters of fiscal 2018 includes a charge of \$6.6 million and of \$14.5 million, respectively, for the accelerated depreciation and amortization of certain assets in connection with our global rebranding project.

Net financial expenses

Net financial expenses for the third quarter of fiscal 2018 were \$110.9 million, an increase of \$67.6 million compared with the third quarter of fiscal 2017. Excluding the net foreign exchange loss of \$9.8 million and the net foreign exchange loss of \$3.0 million recorded in the third quarters of fiscal 2018 and of fiscal 2017, respectively, as well as CAPL’s financial expenses of \$7.7 million, net financial expenses increased by \$53.1 million. This increase is mainly attributable to our higher average long-term debt in connection with our recent acquisitions, partly offset by the repayments made. The net foreign exchange loss of \$9.8 million for the third quarter of fiscal 2018 is mainly due to the impact of foreign exchange variations on certain cash balances and working capital items.

Net financial expenses for the first three quarters of fiscal 2018 were \$259.7 million, an increase of \$169.7 million compared with the first three quarters of fiscal 2017. Excluding the net foreign exchange loss of \$47.4 million and the net foreign exchange gain of \$5.5 million recorded in the first three quarters of fiscal 2018 and of fiscal 2017, respectively, as well as CAPL’s financial expenses of \$13.9 million, net financial expenses increased by \$102.9 million. This increase is mainly attributable to our higher average long-term debt in connection with our recent acquisitions, partly offset by the repayments made. The net foreign exchange loss of \$47.4 million for the first three quarters of fiscal 2018 is mainly due to the impact of foreign exchange variations on certain cash balances and working capital items.

Income taxes

During the third quarter of fiscal 2018, following the approval of the “U.S. Tax Cuts and Jobs Act”, we recorded a net tax benefit of \$196.3 million of which \$14.1 million relates to non-controlling interests. This net tax benefit is mostly derived from the remeasurement of our deferred income tax balances using the new U.S. statutory federal income tax rate, which decreased from 35.0% to 21.0%, partly offset by the Deemed Repatriation Transition Tax (“Transition tax”). This benefit is estimated based on our initial analysis of the “U.S. Tax Cuts and Jobs Act”, and given the complexity of this act, this estimate is subject to adjustment when further guidance becomes available.

Excluding this adjustment, the income tax expense would have been approximately \$56.0 million for the quarter, corresponding to an income tax rate of 16.9% which compares to an income tax rate of 25.2% for the third quarter of fiscal 2017. This reduction

in our income tax rate stems mainly from the decrease in our fiscal 2018 U.S. statutory federal income tax rate starting January 1, 2018.

For the first three quarters of fiscal 2018, when excluding the net tax benefit of \$196.3 million, the income tax rate was 20.7%, compared with 26.7% for the corresponding period of fiscal 2017.

Net earnings and adjusted net earnings attributable to shareholders of the Corporation (“net earnings”)

We closed the third quarter of fiscal 2018 with net earnings of \$463.9 million, compared with \$287.0 million for the third quarter of the previous fiscal year, an increase of \$176.9 million or 61.6%. Diluted net earnings per share stood at \$0.82, compared with \$0.50 the previous year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net positive impact of approximately \$10.0 million on net earnings of the third quarter of fiscal 2018.

Excluding the items shown in the table below from net earnings of the third quarter of fiscal 2018 and fiscal 2017, this quarter’s net earnings would have been approximately \$304.0 million, compared with \$303.0 million for the comparable quarter of the previous year, an increase of \$1.0 million or 0.3%. Adjusted diluted net earnings per share would have been approximately \$0.54 for the third quarter of fiscal 2018 compared with \$0.53 for the corresponding period of fiscal 2017, an increase of 1.9%.

For the first three quarters of fiscal 2018, net earnings were \$1.3 billion, compared with \$931.3 million for the comparable period of fiscal 2017, an increase of \$332.6 million or 35.7%. Diluted net earnings per share stood at \$2.23, compared with \$1.63 the previous year. The translation of revenues and expenses from our Canadian and European operations into US dollars had a net positive impact of approximately \$16.0 million on net earnings of the first three quarters of fiscal 2018.

Excluding the items shown in the table below from net earnings, net earnings for the first three quarters of fiscal 2018 would have been approximately \$1.1 billion, compared with \$958.0 million for the comparable period of the previous year, an increase of \$187.0 million or 19.5%. Adjusted diluted net earnings per share would have been approximately \$2.02 for the first three quarters of fiscal 2018, compared with \$1.68 for the corresponding period of fiscal 2017, an increase of 20.2%.

The table below reconciles reported net earnings to adjusted net earnings:

| (in millions of US dollars) | 16-week periods ended | | 40-week periods ended | |
|----------------------------------------------------------------------------------------------------------|-----------------------|------------------|-----------------------|------------------|
| | February 4, 2018 | January 29, 2017 | February 4, 2018 | January 29, 2017 |
| Net earnings attributable to shareholders of the Corporation, as reported | 463.9 | 287.0 | 1,263.9 | 931.3 |
| Adjusted for: | | | | |
| Tax benefit stemming from the US Tax Cuts and Jobs Act – attributable to shareholders of the Corporation | (182.2) | - | (182.2) | - |
| Net foreign exchange loss (gain) | 9.8 | 3.0 | 47.4 | (5.5) |
| Restructuring and integration costs – attributable to shareholders of the Corporation | 6.8 | 6.0 | 44.8 | 6.0 |
| Accelerated depreciation and amortization expense | 6.6 | 8.4 | 14.5 | 21.8 |
| Acquisition costs | 4.2 | 6.0 | 10.9 | 14.6 |
| Incremental costs from our global brand initiatives | 3.0 | - | 3.0 | - |
| Negative goodwill | (2.8) | - | (2.8) | - |
| Incremental costs related to hurricanes | 1.8 | - | 6.6 | - |
| Tax benefit stemming from an internal reorganization | - | - | (13.4) | - |
| Gain on disposal of a terminal | - | - | (11.5) | - |
| Gain on investment in CST | - | - | (8.8) | - |
| Curtailment gain on defined pension plan obligation | - | (2.7) | - | (2.7) |
| Tax impact of the items above and rounding | (7.1) | (4.7) | (27.4) | (7.5) |
| Adjusted net earnings attributable to shareholders of the Corporation | 304.0 | 303.0 | 1,145.0 | 958.0 |

It should be noted that adjusted net earnings is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider this measure useful for evaluating the underlying performance of our operations on a comparable basis. Note that our definition of this measure may differ from the one used by other public corporations.

Financial Position as at February 4, 2018

As shown by our indebtedness ratios included in the “Summary analysis of consolidated results for the third quarter and first three quarters of fiscal 2018” section and our net cash provided by operating activities, our financial position is solid.

Our total consolidated assets amounted to \$22.9 billion as at February 4, 2018, an increase of \$8.7 billion over the balance as at April 30, 2017, primarily stemming from the acquisition of CST, which includes CAPL, and Holiday as well as from the positive effect from the variation in exchange rates. It should be noted that we have updated our balance sheet as at April 30, 2017 to reflect the final adjustments we made during fiscal 2018 to the fair value assessment of the assets acquired, the liabilities assumed and the goodwill for the Dansk Fuel A/S acquisition.

During the 53-week period ended on February 4, 2018, we recorded a return on capital employed of 11.8%.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable increased by \$376.0 million, from \$1.5 billion as at April 30, 2017, to \$1.9 billion as at February 4, 2018. The increase stems mainly from the acquisition of CST and Holiday, and the positive net impact of approximately \$147.0 million from the variation in exchange rates at the balance sheet date.

Inventories

Inventories increased by \$652.3 million, from \$865.0 million as at April 30, 2017, to \$1.5 billion as at February 4, 2018. The increase stems mainly from the acquisition of CST and Holiday, and the positive net impact of approximately \$46.0 million from the variation in exchange rates at the balance sheet date.

Property and equipment

Property and equipment increased by \$3.5 billion, from \$7.5 billion as at April 30, 2017, to \$11.0 billion as at February 4, 2018, mainly as a result of the acquisition of CST and Holiday, the investments we made to improve our network, and the positive net impact of approximately \$458.0 million from the variation in exchange rates at the balance sheet date, partly offset by the depreciation, amortization and impairment expense.

Goodwill

Goodwill increased by \$3.7 billion, from \$2.4 billion as at April 30, 2017, to \$6.1 billion as at February 4, 2018, mainly as a result of the acquisition of CST and Holiday, and the positive net impact of approximately \$150.0 million from the variation in exchange rates at the balance sheet date. Since we have not yet completed our fair value assessment of the assets acquired, the liabilities assumed and the goodwill for CST and Holiday, we expect that the fair values of assets acquired and liabilities assumed as well as of the goodwill will be adjusted once we finalize the purchase price allocations for these transactions.

Intangible assets

Intangible assets increased by \$395.9 million, from \$670.1 million as at April 30, 2017, to \$1.1 billion as at February 4, 2018, mainly as a result of the acquisition of CST and Holiday, and of the positive net impact of approximately \$49.0 million from the variation in exchange rates at the balance sheet date.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased by \$650.0 million, from \$2.7 billion as at April 30, 2017, to \$3.4 billion as at February 4, 2018. The increase stems mainly from the acquisition of CST and Holiday, as well as from the net impact of approximately \$201.0 million from the variation in exchange rates at the balance sheet date.

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

Long-term debt and current portion of long-term debt increased by \$5.9 billion, from \$3.4 billion as at April 30, 2017, to \$9.3 billion as at February 4, 2018, mainly as a result of the financing of the CST and Holiday acquisitions, as well as the inclusion of CAPL's debt in our consolidated balance sheet. The remainder of the increase is explained by the impact of the strengthening of the Canadian dollar and Euro against the US dollar as of the balance sheet date, which increased our debt balance by approximately \$314.0 million.

Equity

Equity amounted to \$7.8 billion as at February 4, 2018, up \$1.8 billion compared with April 30, 2017, mainly reflecting net earnings and other comprehensive income for the first three quarters of fiscal 2018, partly offset by dividends declared. For the 53-week period ended February 4, 2018, we recorded a return on equity of 23.7%.

At February 4, 2018, non-controlling interest equity was \$354.8 million (nil at April 30, 2017), mainly reflecting the acquisition of control of CAPL, partly offset by distributions.

Liquidity and Capital Resources

Except for our new acquisition facility, our sources of liquidities remained unchanged since April 30, 2017. For further information regarding our sources of liquidities, please refer to our 2017 Annual Report. With respect to our capital expenditures, acquisitions, and dividends paid during the first three quarters of fiscal 2018, they were financed using available cash, as well as our existing credit facilities, except for CST, which was partly financed using our acquisition facility. We expect that cash generated from operations and borrowings available under our revolving unsecured credit facilities will be adequate to meet our liquidity needs in the foreseeable future.

Our credit facilities are detailed as follows:

Acquisition facility

On June 27, 2017, we entered into a new credit agreement consisting of an unsecured non-revolving acquisition credit facility of an aggregate maximum amount of \$4.3 billion (the "acquisition facility"), divided into three tranches as follows:

| | Principal amount | Maturity |
|-----------|------------------|---------------|
| Tranche A | \$2.0 billion | June 27, 2018 |
| Tranche B | \$1.0 billion | June 27, 2019 |
| Tranche C | \$1.3 billion | June 27, 2020 |

The acquisition facility was available exclusively to finance, directly or indirectly, the acquisition of CST, the related acquisition costs and the repayment of any of CST's and its subsidiaries' outstanding debt. Amounts could be drawn up to 90 days after the first draw and can be reimbursed at any time. The acquisition facility was available in US dollars by way of US base rate loans or LIBOR rate loans. Depending on the form of the loan, the amounts borrowed bear interest at variable rates based on the US base rate or the LIBOR rate plus a variable margin.

As at February 4, 2018, tranches A and B had been fully repaid. As at the same date, the weighted average effective interest rate was 2.82% and we were in compliance with the restrictive provisions and ratios imposed by the credit agreement.

Revolving unsecured operating credit, maturing in December 2022 ("operating credit D")

Credit agreement consisting of a revolving unsecured facility of a maximum amount of \$2,525.0 million. On November 24, 2017, we amended the operating credit D to extend its maturity to December 2022. Moreover, on the same date, we amended the standby fees that are applied to the unused portion of the credit facility, which now vary based on our credit rating. Also, letters of credit fees and the variable margin used to determine the interest rate applicable to borrowed amounts are now determined according to our credit rating as well.

As at February 4, 2018, \$1.7 billion of our operating credit D had been used. As at the same date, the weighted average effective interest rate was 2.81% and standby letters of credit in the amount of \$16.1 million were outstanding.

Term revolving unsecured operating credit, maturing in January 2020 ("operating credit F")

Credit agreement consisting of a revolving unsecured facility of an initial maximum amount of €25.0 million maturing on January 30, 2020. The credit facility is available in Euros, in the form of a revolving unsecured operating credit. The amounts borrowed bear interest at variable rates based on the funding base rate or the EURIBOR rate plus a variable margin. As at February 4, 2018, operating credit F was unused.

CAPL US-dollar-denominated senior secured revolving credit facility, without recourse to the Corporation

As at February 4, 2018, through the consolidation of CAPL, we had a credit agreement consisting of a US-dollar-denominated senior secured revolving credit facility of a maximum amount of \$550.0 million, maturing on March 4, 2019, under which swing-line loans may be drawn up to \$25.0 million and standby letters of credit may be issued up to an aggregate of \$45.0 million. This facility was without recourse to the Corporation.

As at February 4, 2018, \$504.1 million of CAPL's revolving credit facility had been used. At the same date, the effective interest rate was 4.44% and CAPL was in compliance with the restrictive provisions and ratios imposed by the credit agreement.

Available liquidities

As at February 4, 2018, a total of approximately \$863.0 million was available under our revolving unsecured operating credit facilities and we were in compliance with the restrictive covenants and ratios imposed by the credit agreements at that date. Thus, at the same date, we had access to approximately \$1.4 billion through our available cash and revolving unsecured operating credit facilities.

Selected Consolidated Cash Flow Information

| | 16-week periods ended | | | 40-week periods ended | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|-----------|-----------------------|------------------|-----------|
| | February 4, 2018 | January 29, 2017 | Variation | February 4, 2018 | January 29, 2017 | Variation |
| (In millions of US dollars) | | | | | | |
| Operating activities | | | | | | |
| Net cash provided by operating activities | 333.6 | 292.0 | 41.6 | 1,326.4 | 1,214.3 | 112.1 |
| Investing activities | | | | | | |
| Business acquisitions | (1,791.1) | (499.3) | (1,291.8) | (5,370.0) | (1,328.7) | (4,041.3) |
| Purchase of property and equipment, intangible assets and other assets, net of proceeds from disposal of property and equipment and other assets | (304.2) | (276.4) | (27.8) | (648.3) | (548.9) | (99.4) |
| Proceeds from disposal of CST's assets held for sale | - | - | - | 895.5 | - | 895.5 |
| Proceeds from disposal of an available-for-sale investment | - | - | - | 91.6 | - | 91.6 |
| Proceeds from sale of an associated company held for sale | - | 71.5 | (71.5) | - | 71.5 | (71.5) |
| Capital reduction received from associated company held for sale | - | 65.6 | (65.6) | - | 65.6 | (65.6) |
| Other | - | 19.2 | (19.2) | (17.0) | 13.9 | (30.9) |
| Investment in associated company held for sale | - | (6.7) | 6.7 | - | (308.1) | 308.1 |
| Net cash used in investing activities | (2,095.3) | (626.1) | (1,469.2) | (5,048.2) | (2,034.7) | (3,031.5) |
| Financing activities | | | | | | |
| Net increase in term revolving unsecured operating credit D | 1,677.3 | 167.6 | 1,509.7 | 982.8 | 116.6 | 866.2 |
| Issuance of senior unsecured notes, net of financing costs | 893.8 | - | 893.8 | 3,935.4 | 851.8 | 3,083.6 |
| Net (decrease) increase in acquisition facility, net of financing costs | (758.1) | - | (758.1) | 410.6 | - | 410.6 |
| Repayment of Canadian-dollar-denominated senior unsecured notes | (232.5) | - | (232.5) | (232.5) | - | (232.5) |
| Share repurchase | (194.3) | - | (194.3) | (194.3) | - | (194.3) |
| Net increase in CAPL US-dollar-denominated senior secured revolving credit facility | 74.5 | - | 74.5 | 59.5 | - | 59.5 |
| Settlement of derivative financial instruments | (62.2) | 4.9 | (67.1) | (82.9) | (4.9) | (78.0) |
| Cash dividends paid | (39.7) | (38.9) | (0.8) | (122.2) | (107.2) | (15.0) |
| Net (decrease) increase in other debts | (22.6) | (8.5) | (14.1) | 18.6 | (23.4) | 42.0 |
| CAPL distributions paid | (16.8) | - | (16.8) | (33.6) | - | (33.6) |
| Issuance of shares upon exercise of stock options | 0.1 | 0.1 | - | 0.1 | 0.3 | (0.2) |
| Repayment of debts assumed on the CST acquisition | - | - | - | (1,075.9) | - | (1,075.9) |
| Net cash provided by financing activities | 1,319.5 | 125.2 | 1,194.3 | 3,665.6 | 833.2 | 2,832.4 |
| Credit ratings | | | | | | |
| Standard and Poor's - Corporate credit rating | | | | | BBB | |
| Moody's - Senior unsecured notes credit rating | | | | | Baa2 | |

Operating activities

During the third quarter of fiscal 2018, net cash from our operations reached \$333.6 million, up \$41.6 million compared with the third quarter of fiscal 2017, due to higher net earnings from our newly acquired sites partly offset by lower road transportation fuel margins. Net cash from our operations for the first three quarters of fiscal 2018 reached \$1.3 billion, up \$112.1 million compared with the corresponding period of fiscal year 2017, due to higher net earnings, partly offset by changes in working capital.

Investing activities

During the third quarter of fiscal 2018, investing activities were primarily for the acquisition of Holiday for an amount of \$1.6 billion, other acquisitions for an amount of \$191.1 million (of which \$75.6 million relates to CAPL), and for net investments in property and equipment, intangible assets and other assets, which amounted to \$304.2 million.

Since the beginning of the fiscal year, investing activities were primarily for the acquisition of CST for an amount of \$3.5 billion, the acquisition of Holiday for an amount of \$1.6 billion, and other acquisitions for an amount of \$270.0 million (of which \$75.6 million relates to CAPL). Net investments in property and equipment, intangible assets and other assets amounted to \$648.3 million. Proceeds from disposals of CST assets consisted of the disposal of CST sites to Empire for an amount of \$143.0 million, of the sale of a portion of CST's Canadian assets to Parkland Fuel Corporation for an amount of \$752.5 million as well as of the proceeds from our original investment in CST for an amount of \$91.6 million.

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

Financing activities

During the third quarter of fiscal 2018, we issued US-dollar-denominated senior unsecured notes for a net amount of \$893.8 million, repaid an amount of \$232.5 million on our Canadian-dollar-denominated senior unsecured notes, and also repurchased 4,372,923 Class B subordinate voting shares held by Metro Canada Holdings Inc. for a net amount of \$194.3 million. During the quarter, we also drew a net amount of \$1.7 billion on our revolving unsecured operating credit and repaid a net amount of \$758.1 million on our acquisition facility. Dividends in the amount of \$39.7 million were paid during the quarter.

In addition to the financing activities of the third quarter, in the first half of the fiscal year, we issued Canadian- and US-dollar-denominated senior unsecured notes for a net amount of \$3.0 billion, and repaid the US-dollar-denominated unsecured notes assumed through the acquisition of CST for an amount of \$1.1 billion. For the first three quarters, the total net amount we drew on our revolving unsecured operating credit was \$982.8 million, the net amount we drew on our acquisition facility for the acquisition of CST was \$410.6 million, and we paid dividends in the amount of \$122.2 million.

Contractual Obligations and Commercial Commitments

Other than the changes in our long term debt described above, there were no major changes with respect to our contractual obligations and commercial commitments during the 40-week period ended February 4, 2018. For more information, please refer to our 2017 Annual Report.

Internal Controls over Financial Reporting

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure, in all material respects, the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us 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 our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at February 4, 2018, except for the exclusion of CST's, CAPL's, and Holiday's internal controls described below, our management, following its assessment, certifies the design and operating effectiveness of the Corporation's disclosure controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 30, 2017, our management and our external auditors reported that these internal controls were effective.

We exclude CST's, CAPL's and Holiday's internal control over financial reporting from our evaluation of the overall effectiveness of our internal control over financial reporting. This is due to the size and timing of these transactions, which occurred on June 28, 2017 for CST and CAPL, and on December 22, 2017 for Holiday. The limitation is primarily based on the time required to assess CST's, CAPL's and Holiday's controls over financial reporting and to confirm they are consistent with ours, as permitted by the Canadian Securities Administrator's National Instrument 52-109 for 365 days following an acquisition. We expect to finalize our assessment by the end of fiscal 2018 for CST, and during fiscal 2019 for Holiday.

CST's results, including CAPL, since the acquisition date are included in our consolidated financial statements and constituted approximately 23.5% of total consolidated assets as of February 4, 2018, approximately 14.1% of consolidated revenues and 3.75% of consolidated net earnings attributable to shareholders for the 40-week period ending on that date.

Holiday's results since the acquisition date are included in our consolidated financial statements and constituted approximately 8.3% of total consolidated assets as of February 4, 2018, approximately 1.1% of consolidated revenues and 0.6% of consolidated net earnings attributable to shareholders for the 40-week period ending on that date.

Selected Quarterly Financial Information

Our 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 2017, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from our interim consolidated financial statements for each of the eight most recently completed quarters.

| (in millions of US dollars except for per share data) | 40-week period ended February 4, 2018 | | | 53-week period ended April 30, 2017 | | | | Extract from 52-week period ended April 24, 2016 |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------------------------------------------------|
| | 3 rd | 2 nd | 1 st | 4 th | 3 rd | 2 nd | 1 st | 4 th |
| Quarter | | | | | | | | |
| Weeks | 16 weeks | 12 weeks | 12 weeks | 13 weeks | 16 weeks | 12 weeks | 12 weeks | 12 weeks |
| Revenues | 15,791.8 | 12,140.6 | 9,847.2 | 9,622.6 | 11,415.8 | 8,445.5 | 8,420.6 | 7,397.1 |
| Operating income before depreciation, amortization and impairment of property and equipment, intangible assets and other assets | 714.9 | 846.3 | 681.1 | 514.4 | 628.7 | 617.0 | 605.2 | 454.8 |
| Depreciation, amortization and impairment of property and equipment, intangibles assets and other assets | 282.9 | 205.0 | 170.3 | 154.4 | 210.1 | 156.7 | 146.4 | 162.7 |
| Operating income | 432.0 | 641.3 | 510.8 | 360.0 | 418.6 | 460.3 | 458.8 | 292.1 |
| Share of earnings of joint ventures and associated companies accounted for using the equity method | 9.2 | 8.3 | 8.6 | 7.2 | 8.4 | 5.3 | 9.5 | 6.5 |
| Net financial expenses | 110.9 | 89.6 | 59.2 | 46.0 | 43.3 | 21.9 | 24.8 | 32.2 |
| Net earnings including non-controlling interest | 470.8 | 436.3 | 359.5 | 277.6 | 287.0 | 321.5 | 322.8 | 203.9 |
| Net (earnings) loss attributable to non-controlling interest | (6.9) | (1.0) | 5.2 | - | - | - | - | - |
| Net earnings attributable to shareholders of the Corporation | 463.9 | 435.3 | 364.7 | 277.6 | 287.0 | 321.5 | 322.8 | 203.9 |
| Net earnings per share | | | | | | | | |
| Basic | \$0.82 | \$0.77 | \$0.64 | \$0.49 | \$0.51 | \$0.57 | \$0.56 | \$0.36 |
| Diluted | \$0.82 | \$0.76 | \$0.64 | \$0.49 | \$0.50 | \$0.57 | \$0.56 | \$0.36 |

The volatility of road transportation fuel gross margins, mostly in the United States, seasonality and changes in the exchange rates have an impact on the variability of our quarterly net earnings.

Outlook

For the remainder of fiscal 2018, our focus will remain the integration of our recent acquisitions into our network and the identification and realization of associated synergies. We will continue the implementation of some of our Circle K concepts into these sites and work towards increasing traffic to sites while sustaining margins and controlling our costs.

We will also keep up the roll-out momentum of our new global convenience brand, Circle K, throughout North America, Europe and our licensed stores worldwide. We are setting out to make it easy for existing and new customers in more countries than ever before, building preference for Circle K as a destination for convenience and fuel, with a fresh look and feel and even better products for people on the go, always combined with fast and friendly service.

March 20, 2018