

CANADIAN TIRE CORPORATION, LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Q3 2017

Condensed Interim Consolidated Balance Sheets (Unaudited)

As at (C\$ in millions)	September 30, 2017	October 1, 2016	December 31, 2016
ASSETS			
Cash and cash equivalents (Note 15)	\$ 653.4	\$ 300.2	\$ 829.7
Short-term investments	146.1	166.6	117.2
Trade and other receivables	810.4	883.4	690.8
Loans receivable (Note 6)	5,295.7	4,868.9	5,138.4
Merchandise inventories	2,280.9	2,206.8	1,710.7
Income taxes recoverable	50.0	61.0	42.5
Prepaid expenses and deposits	134.0	120.9	103.8
Assets classified as held for sale	8.2	19.0	4.6
Total current assets	9,378.7	8,626.8	8,637.7
Long-term receivables and other assets	759.4	755.0	763.7
Long-term investments	176.1	165.1	175.2
Goodwill and intangible assets	1,281.5	1,274.2	1,280.3
Investment property	293.8	232.5	266.4
Property and equipment	4,059.2	4,093.3	4,097.2
Deferred income taxes	130.2	107.2	82.3
Total assets	\$ 16,078.9	\$ 15,254.1	\$ 15,302.8
LIABILITIES			
Bank indebtedness (Note 15)	\$ —	\$ 38.5	\$ 5.9
Deposits	994.1	901.8	950.7
Trade and other payables	2,172.7	2,054.9	1,856.9
Provisions	255.0	243.8	253.2
Short-term borrowings	228.1	106.3	199.4
Loans payable	713.4	699.7	700.3
Income taxes payable	31.4	40.2	61.1
Current portion of long-term debt	456.7	231.2	653.4
Total current liabilities	4,851.4	4,316.4	4,680.9
Long-term provisions	43.3	49.0	45.9
Long-term debt (Note 7)	3,377.5	3,094.0	2,667.1
Long-term deposits	1,374.5	1,272.5	1,230.8
Deferred income taxes	96.3	88.8	104.2
Other long-term liabilities	832.1	843.0	836.6
Total liabilities	10,575.1	9,663.7	9,565.5
EQUITY			
Share capital (Note 8)	624.1	653.9	648.1
Contributed surplus	2.9	2.9	2.9
Accumulated other comprehensive (loss) income	(56.0)	(18.5)	36.7
Retained earnings	4,123.8	4,157.2	4,250.9
Equity attributable to shareholders of Canadian Tire Corporation	4,694.8	4,795.5	4,938.6
Non-controlling interests	809.0	794.9	798.7
Total equity	5,503.8	5,590.4	5,737.3
Total liabilities and equity	\$ 16,078.9	\$ 15,254.1	\$ 15,302.8

The related notes form an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Income (Unaudited)

For the (C\$ in millions, except per share amounts)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Revenue (Note 10)	\$ 3,303.9	\$ 3,128.4	\$ 9,470.9	\$ 9,040.0
Cost of producing revenue (Note 11)	2,183.3	2,056.8	6,226.4	5,944.2
Gross margin	1,120.6	1,071.6	3,244.5	3,095.8
Other expense (income)	—	1.1	0.5	(6.7)
Selling, general and administrative expenses (Note 12)	822.3	779.4	2,453.3	2,381.1
Net finance costs (Note 13)	31.5	24.8	82.5	68.5
Income before income taxes	266.8	266.3	708.2	652.9
Income taxes	68.3	68.5	184.8	170.5
Net income	\$ 198.5	\$ 197.8	\$ 523.4	\$ 482.4
Net income attributable to:				
Shareholders of Canadian Tire Corporation	\$ 176.6	\$ 176.4	\$ 459.3	\$ 422.3
Non-controlling interests	21.9	21.4	64.1	60.1
	\$ 198.5	\$ 197.8	\$ 523.4	\$ 482.4
Basic EPS	\$ 2.59	\$ 2.45	\$ 6.63	\$ 5.80
Diluted EPS	\$ 2.59	\$ 2.44	\$ 6.62	\$ 5.79
Weighted average number of Common and Class A Non-Voting Shares outstanding:				
Basic	68,099,921	71,980,635	69,243,297	72,779,775
Diluted	68,252,446	72,145,192	69,433,042	72,976,210

The related notes form an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Comprehensive Income (Unaudited)

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net income	\$ 198.5	\$ 197.8	\$ 523.4	\$ 482.4
Other comprehensive (loss), net of taxes				
Items that may be reclassified subsequently to net income:				
Cash flow hedges and available-for-sale financial assets:				
(Losses) gains	(49.1)	12.8	(92.6)	(112.2)
Reclassification of (losses) gains to non-financial assets	16.9	(14.1)	7.5	(58.1)
Reclassification of (losses) gains to income	0.6	(0.1)	(6.2)	(1.3)
Other comprehensive (loss)	(31.6)	(1.4)	(91.3)	(171.6)
Other comprehensive (loss) attributable to:				
Shareholders of Canadian Tire Corporation	\$ (33.3)	\$ (1.2)	\$ (92.7)	\$ (166.6)
Non-controlling interests	1.7	(0.2)	1.4	(5.0)
	\$ (31.6)	\$ (1.4)	\$ (91.3)	\$ (171.6)
Comprehensive income	\$ 166.9	\$ 196.4	\$ 432.1	\$ 310.8
Comprehensive income attributable to:				
Shareholders of Canadian Tire Corporation	\$ 143.3	\$ 175.2	\$ 366.6	\$ 255.7
Non-controlling interests	23.6	21.2	65.5	55.1
	\$ 166.9	\$ 196.4	\$ 432.1	\$ 310.8

The related notes form an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Cash (used for) generated from:				
Operating activities				
Net income	\$ 198.5	\$ 197.8	\$ 523.4	\$ 482.4
Adjustments for:				
Depreciation of property and equipment and investment property (Notes 11 and 12)	85.7	80.0	243.8	240.9
Income tax expense	68.3	68.5	184.8	170.5
Net finance costs (Note 13)	31.5	24.8	82.5	68.5
Amortization of intangible assets (Note 12)	33.7	31.6	100.8	92.9
Loss (gain) on disposal of property and equipment, investment property and assets held for sale	0.1	—	—	(12.3)
Interest paid	(32.1)	(28.2)	(92.9)	(82.7)
Interest received	2.9	1.8	6.5	5.7
Income taxes paid	(85.0)	(55.4)	(245.7)	(228.6)
Other	2.6	5.5	7.6	1.8
Total adjustments, except as noted below	306.2	326.4	810.8	739.1
Change in operating working capital and other (Note 15)	(241.8)	(218.4)	(515.2)	(480.0)
Change in loans receivable (Note 6)	(45.2)	(5.4)	(159.9)	(46.8)
Cash generated from operating activities	19.2	102.6	135.7	212.3
Investing activities				
Additions to property and equipment and investment property	(98.7)	(112.3)	(224.1)	(469.7)
Additions to intangible assets	(45.9)	(42.4)	(114.8)	(126.9)
Total additions	(144.6)	(154.7)	(338.9)	(596.6)
Acquisition of short-term investments	(58.8)	(58.5)	(376.3)	(402.8)
Proceeds from the maturity and disposition of short-term investments	290.5	130.9	382.2	362.3
Acquisition of long-term investments	(9.1)	—	(35.0)	(41.4)
Proceeds on disposition of property and equipment and assets held for sale	1.6	—	2.1	18.0
Acquisition of subsidiaries (Note 17)	(19.3)	—	(19.3)	—
Other	0.8	2.0	2.5	8.0
Cash generated from (used for) investing activities	61.1	(80.3)	(382.7)	(652.5)
Financing activities				
Dividends paid	(42.1)	(39.2)	(128.4)	(118.7)
Distributions paid to non-controlling interests	(20.7)	(25.4)	(55.2)	(55.7)
Total dividends and distributions paid	(62.8)	(64.6)	(183.6)	(174.4)
Net issuance of short-term borrowings	138.1	2.2	28.7	17.6
Issuance of loans payable	18.2	19.5	121.0	235.2
Repayment of loans payable	(48.4)	(40.9)	(107.8)	(191.0)
Issuance of long-term debt (Note 7)	0.4	—	741.4	350.0
Repayment of long-term debt and finance lease liabilities (Note 7)	(4.2)	(5.0)	(225.6)	(18.9)
Payment of transaction costs related to long-term debt	(0.1)	—	(4.2)	(3.1)
Repurchase of share capital	(153.7)	(113.6)	(478.0)	(332.8)
Change in deposits	(3.7)	(81.7)	184.7	(81.3)
Cash (used for) generated from financing activities	(116.2)	(284.1)	76.6	(198.7)
Cash (used) in the period	(35.9)	(261.8)	(170.4)	(638.9)
Cash and cash equivalents, net of bank indebtedness, beginning of period	689.3	523.5	823.8	900.6
Cash and cash equivalents, net of bank indebtedness, end of period	\$ 653.4	\$ 261.7	\$ 653.4	\$ 261.7

The related notes form an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)

(C\$ in millions)	Share capital	Contributed surplus	Total accumulated other comprehensive income	Retained earnings	Equity attributable to shareholders of Canadian Tire Corporation	Equity attributable to non-controlling interests	Total equity
Balance at December 31, 2016	\$ 648.1	\$ 2.9	\$ 36.7	\$ 4,250.9	\$ 4,938.6	\$ 798.7	\$ 5,737.3
Net income	—	—	—	459.3	459.3	64.1	523.4
Other comprehensive (loss) income	—	—	(92.7)	—	(92.7)	1.4	(91.3)
Total comprehensive (loss) income	—	—	(92.7)	459.3	366.6	65.5	432.1
Contributions and distributions to shareholders of Canadian Tire Corporation							
Issuance of Class A Non-Voting Shares (Note 8)	7.2	—	—	—	7.2	—	7.2
Repurchase of Class A Non-Voting Shares (Note 8)	(484.2)	—	—	—	(484.2)	—	(484.2)
Excess of purchase price over average cost (Note 8)	453.0	—	—	(453.0)	—	—	—
Dividends	—	—	—	(133.4)	(133.4)	—	(133.4)
Contributions and distributions to non-controlling interests							
Issuance of trust units to non-controlling interests, net of transaction costs	—	—	—	—	—	2.0	2.0
Distributions and dividends to non-controlling interests	—	—	—	—	—	(57.2)	(57.2)
Total contributions and distributions	(24.0)	—	—	(586.4)	(610.4)	(55.2)	(665.6)
Balance at September 30, 2017	\$ 624.1	\$ 2.9	\$ (56.0)	\$ 4,123.8	\$ 4,694.8	\$ 809.0	\$ 5,503.8

(C\$ in millions)	Share capital	Contributed surplus	Total accumulated other comprehensive income	Retained earnings	Equity attributable to shareholders of Canadian Tire Corporation	Equity attributable to non-controlling interests	Total equity
Balance at January 2, 2016	\$ 671.2	\$ 2.9	\$ 148.1	\$ 4,172.0	\$ 4,994.2	\$ 795.5	\$ 5,789.7
Net income	—	—	—	422.3	422.3	60.1	482.4
Other comprehensive loss	—	—	(166.6)	—	(166.6)	(5.0)	(171.6)
Total comprehensive income (loss)	—	—	(166.6)	422.3	255.7	55.1	310.8
Contributions and distributions to shareholders of Canadian Tire Corporation							
Issuance of Class A Non-Voting Shares (Note 8)	7.1	—	—	—	7.1	—	7.1
Repurchase of Class A Non-Voting Shares (Note 8)	(337.1)	—	—	—	(337.1)	—	(337.1)
Excess of purchase price over average cost (Note 8)	312.7	—	—	(312.7)	—	—	—
Dividends	—	—	—	(124.4)	(124.4)	—	(124.4)
Contributions and distributions to non-controlling interests							
Issuance of trust units to non-controlling interests, net of transaction costs	—	—	—	—	—	1.2	1.2
Distributions and dividends to non-controlling interests	—	—	—	—	—	(56.9)	(56.9)
Total contributions and distributions	(17.3)	—	—	(437.1)	(454.4)	(55.7)	(510.1)
Balance at October 1, 2016	\$ 653.9	\$ 2.9	\$ (18.5)	\$ 4,157.2	\$ 4,795.5	\$ 794.9	\$ 5,590.4

The related notes form an integral part of these condensed interim consolidated financial statements.

1. The Company and its operations

Canadian Tire Corporation, Limited is a Canadian public company primarily domiciled in Canada. Its registered office is located at 2180 Yonge Street, Toronto, Ontario, M4P 2V8, Canada. It is listed on the Toronto Stock Exchange (TSX – CTC, CTC.A). Canadian Tire Corporation, Limited and the entities it controls are together referred to in these condensed interim consolidated financial statements as the “Company” or “Canadian Tire Corporation”.

The Company comprises three main business operations, which offer a range of retail goods and services, including general merchandise, apparel, sporting goods, petroleum, financial services including a bank, and real estate operations. Details of its three reportable operating segments are provided in Note 5.

Due to the seasonal nature of some merchandise and the timing of marketing programs in the retail businesses, the fourth quarter typically generates the greatest contribution to revenues and earnings, and the first quarter the least.

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements (“interim financial statements”) for the 13 and 39 weeks ended September 30, 2017 (and comparative results for the 13 and 39 weeks ended October 1, 2016) have been prepared in accordance with International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting* and therefore do not contain all disclosures required by International Financial Reporting Standards (“IFRS”). These interim financial statements should be read in conjunction with the consolidated financial statements contained in the Company’s 2016 Report to Shareholders and have been prepared using the same accounting policies described in Note 3 to the consolidated financial statements contained in the Company’s 2016 Report to Shareholders.

These interim financial statements were authorized for issuance by the Company’s Board of Directors on November 8, 2017.

Basis of presentation

These interim financial statements have been prepared on a historical cost basis, except for the following items, which are measured at fair value:

- financial instruments at fair value through profit or loss (“FVTPL”);
- derivative financial instruments;
- available-for-sale financial assets;
- liabilities for share-based payment plans; and
- initial recognition of assets acquired and liabilities assumed in a business combination.

In addition, the post-employment defined benefit obligation is recorded at its discounted present value.

Functional and presentation currency

These interim financial statements are presented in Canadian dollars (“C\$”), the Company’s functional currency.

Judgments and estimates

The preparation of these interim financial statements in accordance with IAS 34 requires Management to make judgments and estimates that affect:

- the application of accounting policies;
- the reported amounts of assets and liabilities;
- disclosures of contingent assets and liabilities; and
- the amounts of revenue and expenses recognized during the reporting periods.

Actual results may differ from estimates made in these interim financial statements.

Judgments are made in the selection and assessment of the Company’s accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgments and estimates are often interrelated. The Company’s judgments and estimates are continually re-evaluated

to assess whether they remain appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Details of the accounting policies that are subject to judgments and estimates that the Company believes could have the most significant impact on the amounts recognized in these interim financial statements are described in Note 2 to the consolidated financial statements contained in the Company's 2016 Report to Shareholders.

Standards, amendments, and interpretations issued and adopted

Disclosure initiative

In January 2016, the International Accounting Standard Board ("IASB") issued Disclosure Initiative Amendments to IAS 7 – *Statement of Cash Flows* as part of the IASB's Disclosure Initiative. These amendments require entities to provide additional disclosures that will enable financial statement users to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes.

These amendments were effective for annual periods beginning on or after January 1, 2017. These amendments did not impact the Company's interim financial statements and the Company will disclose the required information in its annual disclosure.

Standards, amendments, and interpretations issued but not yet adopted

The following new standards, amendments, and interpretations have been issued and are expected to impact the Company, but are not effective for the fiscal year ending December 30, 2017 and, accordingly, have not been applied in preparing the interim financial statements.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 – *Financial Instruments* ("IFRS 9"), which brings together the classification and measurement, impairment, and hedge-accounting phases of the IASB's project to replace IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 will be applied retrospectively for the 2018 annual fiscal period, without restatement of prior period comparatives. The IFRS 9 adjustments will be recognized in opening retained earnings for 2018.

Classification and measurement – Financial assets are classified and measured based on the business model under which they are managed and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified in a similar manner as under IAS 39, except that financial liabilities measured at fair value will have fair value changes resulting from changes in the Company's own credit risk recognized in other comprehensive income instead of net income, unless this would create an accounting mismatch. The implementation of the new classification and measurement requirements is expected to result in short-term and long-term investments being classified as Amortized Cost (previously classified either as Available-For-Sale or Fair Value Through Profit or Loss under IAS 39) without significant impact to the Company's financial results.

Hedge accounting - The new general hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risk exposures. It will provide more opportunities to apply hedge accounting to reflect actual risk management activities. The new hedge accounting requirements are not expected to have a significant impact to the Company.

Impairment – It is no longer necessary for a triggering event to occur before a provision for credit losses is recognized as the measurement for impairment of financial assets will be based on an expected credit loss ("ECL") model. The earlier recognition of losses, as a result of moving to an ECL model, will impact the Company's estimate of allowances on credit card loans receivable. On transition to IFRS 9, the impact of the earlier recognition of losses is expected to increase the allowance on credit card loans receivable by between \$650 million to \$750 million. The allowance for those credit card loans receivable for which credit risk has not increased significantly since initial recognition, is measured using the lifetime losses from accounts that are expected to default over the next 12 months. For all other accounts the Company will recognize an allowance at an amount equal to the lifetime ECL. There is a significant amount of judgment involved in determining the ECL estimate and it is expected to be more volatile under IFRS 9 as a result of the movement of accounts between 12-month and lifetime ECL and the incorporation of forward-looking information. Over the coming months the Company will finalize its calculation of the financial impact of this standard and complete its testing and validation of its ECL methodology application, including criteria for a significant increase in credit risk and the impact of forward-looking information. Simultaneously, internal controls, policies and information systems are being updated along with training and education of key stakeholders.

Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* (“IFRS 15”), which replaces IAS 11 – *Construction Contracts*, IAS 18 – *Revenue*, and International Financial Reporting Interpretations Committee 13 – *Customer Loyalty Programmes* (“IFRIC 13”), as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; except for contracts that are within the scope of the standards on leases, insurance contracts, and financial instruments. IFRS 15 also contains enhanced disclosure requirements.

In April 2016, the IASB published clarifications to IFRS 15 which addressed three topics (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts.

The Company will adopt IFRS 15 for the 2018 annual fiscal period and expects to do so on a full retrospective basis with restatement of prior period. IFRS 15 mainly impacts the presentation of the Company's loyalty programs, in particular My Canadian Tire ‘Money’[®] customer loyalty program. The costs of the loyalty program previously presented within selling, general and administrative expenses (“SG&A”) will be recorded as a reduction of revenue and the related liabilities previously presented within provisions will be recorded as trade and other payables.

Leases

In January 2016, the IASB issued IFRS 16 – *Leases* (“IFRS 16”), which replaced IAS 17 – *Leases* (“IAS 17”) and related interpretations. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12-months or less or the underlying asset has a low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17 with the distinction between operating leases and finance leases being retained.

IFRS 16 will be applied for the 2019 annual fiscal period. The Company is assessing the potential impact of this standard.

Insurance Contracts

In May 2017, the IASB issued IFRS 17 – *Insurance Contracts* (“IFRS 17”), which replaces IFRS 4 – *Insurance Contracts* and establishes a new model for recognizing insurance policy obligations, premium revenue, and claims-related expenses. IFRS 17 will be effective for annual periods beginning on or after January 1, 2021. Early adoption is permitted. The Company is assessing the potential impact of this standard.

3. Capital management

The Company's objectives when managing capital are:

- ensuring sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- maintaining healthy liquidity reserves and access to capital; and
- minimizing the after-tax cost of capital while taking into consideration current and future industry, market, and economic risks and conditions.

The definition of capital varies from company to company, industry to industry, and for different purposes. The Company's definition of capital is the same as that detailed in Note 4 to the consolidated financial statements contained in the Company's 2016 Report to Shareholders, which includes Glacier Credit Card Trust (“GCCT”) indebtedness but excludes Franchise Trust indebtedness.

The Company manages its capital structure over the long term to optimize the balance among capital efficiency, financial flexibility, and risk mitigation. Management calculates its ratios to approximate the methodology of debt-rating agencies and other market participants on a current and prospective basis. To assess its effectiveness in managing capital, Management monitors these ratios against targeted ranges.

The Company was in compliance with all financial covenants under its existing debt agreements as at September 30, 2017. Under these covenants, the Company has sufficient liquidity to support business growth.

CT Real Estate Investment Trust (“CT REIT”) is required to comply with covenants established under its Trust Indenture, Bank Credit Agreement, and the Declaration of Trust and was in compliance with the financial covenants thereunder as at September 30, 2017.

In addition, the Company is required to comply with regulatory requirements for capital associated with the operations of Canadian Tire Bank ("CTB"), a federally chartered bank, and other regulatory requirements that have an impact on its business operations and certain covenants established under its bank line of credit and note purchase facilities. As at September 30, 2017, CTB complied with all regulatory capital requirements and all financial covenants under its bank line of credit and note purchase facilities.

4. Liquidity and financing

On April 5, 2017, CT REIT renewed its short form base-shelf prospectus under which a total of \$2.0 billion of debt and equity capital can be issued. On May 19, 2017, GCCT renewed its short form base-shelf prospectus under which it can issue up to \$2.0 billion of credit card asset-backed debt.

On July 7, 2017, the term of Canadian Tire Corporation's committed bank line of credit was extended to July 2022 and the term of GCCT's \$300 million liquidity facility, which provides backstop protection to its Series 1997-1 asset-backed commercial paper program, was extended to July 2020.

On September 27, 2017, the term of CT REIT's committed bank line of credit was extended to five years (expiring September 2022).

Subsequent to September 30, 2017, CTB extended the term of its committed bank line of credit totaling \$250 million to October 2020 and extended the terms of its committed note purchase facilities, for purchase of up to \$2 billion of senior and subordinated notes issued by GCCT, to October 2020.

5. Operating segments

The Company has three reportable operating segments: Retail, CT REIT, and Financial Services. The reportable operating segments are strategic business units offering different products and services. They are separately managed due to their distinct nature. The following summary describes the operations in each of the Company's reportable segments:

- The retail business is conducted under a number of banners including Canadian Tire, Canadian Tire Gas ("Petroleum"), Mark's, PartSource, and various FGL Sports banners. Retail also includes the Dealer Loan Program (the portion [silo] of Franchise Trust that issues loans to Dealers). Non-CT REIT real estate is included in Retail.
- CT REIT is an unincorporated, closed-end real estate investment trust. CT REIT holds a geographically-diversified portfolio of properties comprised largely of Canadian Tire banner stores, Canadian Tire anchored retail developments, mixed-use commercial property, and distribution centres.
- Financial Services markets a range of Canadian Tire branded credit cards including Canadian Tire Options MasterCard, Cash Advantage MasterCard, Gas Advantage MasterCard, and Sport Chek MasterCard and also participates in the Canadian Tire loyalty program. Certain costs associated with these activities were allocated to Financial Services for segment reporting purposes. Financial Services also markets insurance and warranty products and provides settlement services to the Company's affiliates. Financial Services includes CTB, a federally regulated financial institution that manages and finances the Company's consumer MasterCard, Visa, and retail credit card portfolios, as well as an existing block of Canadian Tire branded line of credit portfolios. CTB also offers high-interest savings deposit accounts, tax free savings accounts, and GIC deposits, both directly and through third-party brokers. Financial Services also includes GCCT, a structured entity established to purchase co-ownership interests in the Company's credit card loans. GCCT issues debt to third-party investors to fund its purchases.

Performance is measured based on segment income before income taxes, as included in the internal management reports. Management has determined that this measure is the most relevant in evaluating segment results and allocating resources. Information regarding the results of each reportable operating segment is as follows:

For the	13 weeks ended					October 1, 2016				
	September 30, 2017					October 1, 2016				
(C\$ in millions)	Retail	CT REIT	Financial Services	Eliminations and adjustments	Total	Retail	CT REIT	Financial Services	Eliminations and adjustments	Total
External revenue	\$ 2,977.1	\$ 8.6	\$ 288.8	\$ 29.4	\$ 3,303.9	\$ 2,821.0	\$ 6.8	\$ 274.7	\$ 25.9	\$ 3,128.4
Intercompany revenue	1.4	100.7	5.8	(107.9)	—	1.7	96.1	3.6	(101.4)	—
Total revenue	2,978.5	109.3	294.6	(78.5)	3,303.9	2,822.7	102.9	278.3	(75.5)	3,128.4
Cost of producing revenue	2,079.8	—	118.2	(14.7)	2,183.3	1,959.1	—	110.3	(12.6)	2,056.8
Gross margin	898.7	109.3	176.4	(63.8)	1,120.6	863.6	102.9	168.0	(62.9)	1,071.6
Other (income) expense	(31.8)	—	(0.1)	31.9	—	(29.1)	—	0.3	29.9	1.1
Selling, general and administrative expenses	775.3	24.8	76.5	(54.3)	822.3	737.4	26.2	71.7	(55.9)	779.4
Net finance (income) costs	(5.1)	24.4	(0.2)	12.4	31.5	(6.9)	20.2	(0.1)	11.6	24.8
Fair value (gain) loss on investment properties	—	(10.5)	—	10.5	—	—	(15.6)	—	15.6	—
Income before income taxes	\$ 160.3	\$ 70.6	\$ 100.2	\$ (64.3)	\$ 266.8	\$ 162.2	\$ 72.1	\$ 96.1	\$ (64.1)	\$ 266.3
Items included in the above:										
Depreciation and amortization	\$ 95.7	\$ —	\$ 2.6	\$ 21.1	\$ 119.4	\$ 90.7	\$ —	\$ 2.5	\$ 18.4	\$ 111.6
Interest income	22.2	—	237.0	(17.4)	241.8	22.3	0.1	217.7	(17.5)	222.6
Interest expense	13.0	24.4	28.9	(18.0)	48.3	11.7	20.3	26.1	(17.7)	40.4

For the	39 weeks ended					October 1, 2016				
	September 30, 2017					October 1, 2016				
(C\$ in millions)	Retail	CT REIT	Financial Services	Eliminations and adjustments	Total	Retail	CT REIT	Financial Services	Eliminations and adjustments	Total
External revenue	\$ 8,511.4	\$ 25.3	\$ 847.3	\$ 86.9	\$ 9,470.9	\$ 8,116.3	\$ 17.4	\$ 827.7	\$ 78.6	\$ 9,040.0
Intercompany revenue	4.4	306.7	16.6	(327.7)	—	4.3	285.5	9.9	(299.7)	—
Total revenue	8,515.8	332.0	863.9	(240.8)	9,470.9	8,120.6	302.9	837.6	(221.1)	9,040.0
Cost of producing revenue	5,929.2	—	339.0	(41.8)	6,226.4	5,641.2	—	341.1	(38.1)	5,944.2
Gross margin	2,586.6	332.0	524.9	(199.0)	3,244.5	2,479.4	302.9	496.5	(183.0)	3,095.8
Other (income) expense	(93.7)	—	(0.1)	94.3	0.5	(92.2)	—	0.1	85.4	(6.7)
Selling, general and administrative expenses	2,311.8	82.8	226.4	(167.7)	2,453.3	2,246.3	79.8	217.1	(162.1)	2,381.1
Net finance (income) costs	(19.8)	72.0	(0.4)	30.7	82.5	(30.6)	65.2	(0.5)	34.4	68.5
Fair value (gain) loss on investment properties	—	(43.0)	—	43.0	—	—	(35.7)	—	35.7	—
Income before income taxes	\$ 388.3	\$ 220.2	\$ 299.0	\$ (199.3)	\$ 708.2	\$ 355.9	\$ 193.6	\$ 279.8	\$ (176.4)	\$ 652.9
Items included in the above:										
Depreciation and amortization	\$ 279.3	\$ —	\$ 7.6	\$ 57.7	\$ 344.6	\$ 273.6	\$ —	\$ 6.6	\$ 53.6	\$ 333.8
Interest income	67.2	0.1	689.3	(53.6)	703.0	68.8	0.2	655.3	(55.0)	669.3
Interest expense	35.9	72.1	82.5	(60.7)	129.8	27.7	65.5	78.2	(55.6)	115.8

The eliminations and adjustments include the following items:

- reclassifications of certain revenues and costs in the Financial Services segment to net finance costs;
- reclassifications of revenues and operating expenses to reflect loyalty program accounting in accordance with IFRIC 13 for the Company's Loyalty program;
- conversion from CT REIT's fair value investment property valuation policy to the Company's cost model, including the recording of depreciation; and
- inter-segment eliminations and adjustments including intercompany rent, property management fees, credit card processing fees, and capitalized interest related to the Bolton distribution centre in 2017.

Capital expenditures by reportable operating segment are as follows:

(C\$ in millions)	13 weeks ended							
	September 30, 2017				October 1, 2016			
	Retail	CT REIT ¹	Financial Services	Total	Retail	CT REIT ¹	Financial Services	Total
Capital expenditures ²	\$ 102.1	\$ 41.6	\$ 1.8	\$ 145.5	\$ 170.6	\$ 13.7	\$ 1.6	\$ 185.9

¹ CT REIT capital expenditures include the construction of stores under Mark's and FGL Sports banners of \$0.2 million in Q3 2017 (2016 – \$1.0 million).

² Capital expenditures are presented on an accrual basis and include software additions, but exclude acquisitions relating to business combinations and intellectual properties.

(C\$ in millions)	39 weeks ended							
	September 30, 2017				October 1, 2016			
	Retail	CT REIT ¹	Financial Services	Total	Retail	CT REIT ¹	Financial Services	Total
Capital expenditures ²	\$ 266.5	\$ 55.3	\$ 4.7	\$ 326.5	\$ 447.4	\$ 131.9	\$ 5.7	\$ 585.0

¹ CT REIT capital expenditures include the construction of stores under Mark's and FGL Sports banners of \$1.0 million YTD Q3 2017 (2016 – \$1.4 million).

² Capital expenditures are presented on an accrual basis and include software additions, but exclude acquisitions relating to business combinations and intellectual properties.

Total assets by reporting operating segment are as follows:

(C\$ in millions)	September 30, 2017			October 1, 2016	December 31, 2016
As at					
Retail	\$ 11,193.1			\$ 11,030.3	\$ 11,024.4
CT REIT	5,265.1			4,915.2	5,014.6
Financial Services	6,334.9			5,527.7	5,773.5
Eliminations and adjustments	(6,714.2)			(6,219.1)	(6,509.7)
Total assets ¹	\$ 16,078.9			\$ 15,254.1	\$ 15,302.8

¹ The Company employs a shared-services model for several of its back-office functions including Finance, Information Technology, Human Resources, and Legal. As a result, expenses relating to these functions are allocated on a systematic and rational basis to the reportable operating segments. The associated assets and liabilities are not allocated among segments in the presented measures of segmented assets and liabilities.

Total liabilities by reporting operating segment are as follows:

(C\$ in millions)	September 30, 2017			October 1, 2016	December 31, 2016
As at					
Retail	\$ 4,353.0			\$ 4,067.1	\$ 3,943.9
CT REIT	2,463.4			2,355.1	2,424.0
Financial Services	5,266.1			4,509.0	4,731.6
Eliminations and adjustments	(1,507.4)			(1,267.5)	(1,534.0)
Total liabilities ¹	\$ 10,575.1			\$ 9,663.7	\$ 9,565.5

¹ The Company employs a shared-services model for several of its back-office functions including Finance, Information Technology, Human Resources, and Legal. As a result, expenses relating to these functions are allocated on a systematic and rational basis to the reportable operating segments. The associated assets and liabilities are not allocated among segments in the presented measures of segmented assets and liabilities.

The eliminations and adjustments include the following items:

- conversion from CT REIT's fair value investment property valuation policy to the Company's cost model, including the recording of depreciation; and
- inter-segment eliminations.

6. Loans receivable

Quantitative information about the Company's loans receivable portfolio is as follows:

(C\$ in millions) As at	Total principal amount of receivables ¹		
	September 30, 2017	October 1, 2016	December 31, 2016
Credit card loans ²	\$ 5,253.0	\$ 4,847.6	\$ 5,104.6
Dealer loans ³	716.9	703.2	705.4
Total loans receivable	5,969.9	5,550.8	5,810.0
Less: long-term portion ⁴	674.2	681.9	671.6
Current portion of loans receivable	\$ 5,295.7	\$ 4,868.9	\$ 5,138.4

¹ Amounts shown are net of allowance for loan impairment.

² Includes line of credit loans.

³ Dealer loans primarily relates to loans issued by Franchise Trust.

⁴ The long-term portion of loans receivable is included in long-term receivables and other assets and includes Dealer loans of \$671.4 million (October 1, 2016 – \$678.8 million and December 31, 2016 – \$668.9 million).

The gross impairment loss on loans receivable for the 13 and 39 weeks ended September 30, 2017 was \$93.3 million (2016 – \$89.6 million) and \$269.7 million (2016 - \$274.6 million), respectively. Recoveries of bad debts for the 13 and 39 weeks ended September 30, 2017 were \$17.8 million (2016 – \$17.7 million) and \$52.8 million (2016 - \$52.0 million), respectively.

During the 13 and 39 weeks ended September 30, 2017, the amount of cash received from interest earned on credit cards and loans was \$222.7 million (2016 – \$205.3 million) and \$646.2 million (2016 - \$613.7 million), respectively.

7. Long-term debt

On May 20, 2017, Glacier repaid \$200 million of senior notes, which bore an interest rate of 2.807 percent per annum as well as \$11.6 million of subordinated notes, which bore an interest rate of 3.827 percent per annum.

On June 1, 2017, under its short form base-shelf prospectus dated May 19, 2017 and pricing supplement No. 1 dated May 25, 2017, GCCT completed the issuance of \$560 million of Series 2017-1 term notes that have an expected repayment date of September 20, 2022, consisting of \$523.6 million principal amount of senior notes that bear an interest rate of 2.048 percent per annum and \$36.4 million principal amount of subordinated notes that bear an interest rate of 3.298 percent per annum.

On June 16, 2017, CT REIT completed the issuance of \$175 million 3.469 percent Series E senior unsecured debentures due June 16, 2027. The debenture issuance was made under CT REIT's short form base-shelf prospectus dated April 5, 2017 and prospectus supplement dated June 13, 2017.

Subsequent to September 30, 2017, GCCT repaid \$400 million of senior notes, which bore an interest rate of 2.394 percent per annum as well as \$23.3 million of subordinated notes, which bore an interest rate of 3.174 percent per annum.

8. Share capital

Share capital consists of the following:

(C\$ in millions) As at	September 30, 2017	October 1, 2016	December 31, 2016
Authorized			
3,423,366 Common Shares			
100,000,000 Class A Non-Voting Shares			
Issued			
3,423,366 Common Shares (October 1, 2016 - 3,423,366; December 31, 2016 - 3,423,366)	\$ 0.2	\$ 0.2	\$ 0.2
64,141,483 Class A Non-Voting Shares (October 1, 2016 - 68,132,860; December 31, 2016 - 67,323,781)	623.9	653.7	647.9
	\$ 624.1	\$ 653.9	\$ 648.1

All issued shares are fully paid. The Company does not hold any of its Common or Class A Non-Voting Shares. Neither the Common nor Class A Non-Voting Shares have a par value.

During 2017 and 2016, the Company issued and repurchased Class A Non-Voting Shares. The Company's share repurchases were made pursuant to its normal course issuer bid ("NCIB") program. Share repurchases are charged to share capital at the average cost per share outstanding and the excess between the repurchase price and the average cost is first allocated to contributed surplus, with any remainder allocated to retained earnings.

The following transactions occurred with respect to Class A Non-Voting Shares:

For the	39 Weeks Ended			
	September 30, 2017		October 1, 2016	
(C\$ in millions)	Number	\$	Number	\$
Shares outstanding at beginning of the year	67,323,781	\$ 647.9	70,637,987	\$ 671.0
Issued under the dividend reinvestment plan	46,796	7.2	52,574	7.1
Repurchased ¹	(3,229,094)	(484.2)	(2,557,701)	(337.1)
Excess of repurchase price over average cost	—	453.0	—	312.7
Shares outstanding at end of the period	64,141,483	\$ 623.9	68,132,860	\$ 653.7

¹ Repurchased shares, pursuant to the Company's NCIB program, have been restored to the status of authorized but unissued shares. The Company records shares repurchased on a transaction date basis.

As of September 30, 2017, the Company had dividends declared and payable to holders of Class A Non-Voting Shares and Common Shares of \$43.9 million (2016 – \$41.1 million) at a rate of \$0.650 per share (2016 – \$0.575 per share).

On November 8, 2017, the Company's Board of Directors approved an increase to the quarterly dividend by \$0.25 to \$0.900 per share and declared dividends payable on March 1, 2018 to shareholders of record as of January 31, 2018.

9. Share-based payments

During the 39 weeks ended September 30, 2017, the Company granted the following share-based payment awards:

Stock options

The Company granted 300,217 stock options to certain employees. These stock options vest on a graduated basis over a three-year period, are exercisable over a term of seven years, and have exercise prices of \$152.64, \$153.72, and \$156.29.

10. Revenue

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Sale of goods	\$ 2,860.3	\$ 2,708.1	\$ 8,168.6	\$ 7,785.4
Interest income on loans receivable	239.0	220.2	696.3	661.9
Royalties and licence fees	105.5	100.6	309.7	296.1
Services rendered	79.9	83.1	239.0	248.7
Rental income	19.2	16.4	57.3	47.9
	\$ 3,303.9	\$ 3,128.4	\$ 9,470.9	\$ 9,040.0

Major customers

The Company does not rely on any one customer.

11. Cost of producing revenue

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Inventory cost of sales ¹	\$ 2,081.9	\$ 1,960.9	\$ 5,934.5	\$ 5,645.0
Net impairment loss on loans receivable	74.0	69.6	212.2	217.1
Finance costs	14.0	13.2	40.6	39.9
Other	13.4	13.1	39.1	42.2
	\$ 2,183.3	\$ 2,056.8	\$ 6,226.4	\$ 5,944.2

¹ Inventory cost of sales includes depreciation for the 13 and 39 weeks ended September 30, 2017 of \$1.7 million (2016 – \$2.2 million) and \$5 million (2016 – \$6.1 million), respectively.

Inventory writedowns, as a result of net realizable value being lower than cost, recognized in the 13 and 39 weeks ended September 30, 2017 were \$13.9 million (2016 – \$17.4 million) and \$35.6 million (2016 – \$43.4 million), respectively.

Inventory writedowns recognized in prior periods and reversed in the 13 and 39 weeks ended September 30, 2017 were \$4.5 million (2016 – \$2.5 million) and \$7.5 million (2016 – \$4.5 million), respectively. The reversal of writedowns was the result of actual losses being lower than previously estimated.

The writedowns and reversals are included in inventory cost of sales.

12. Selling, general and administrative expenses

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Personnel expenses	\$ 288.0	\$ 287.9	\$ 868.1	\$ 849.7
Occupancy	171.5	147.6	516.7	484.1
Marketing and advertising	93.8	88.4	286.1	267.2
Depreciation of property and equipment and investment property ¹	84.0	77.8	238.8	234.8
Amortization of intangible assets	33.7	31.6	100.8	92.9
Information systems	42.2	35.9	120.8	104.9
Other	109.1	110.2	322.0	347.5
	\$ 822.3	\$ 779.4	\$ 2,453.3	\$ 2,381.1

¹ Refer to Note 11 for depreciation included in cost of producing revenue.

13. Net finance costs

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Finance (income)	\$ (2.8)	\$ (2.4)	\$ (6.7)	\$ (7.4)
Finance costs	34.3	27.2	89.2	75.9
	\$ 31.5	\$ 24.8	\$ 82.5	\$ 68.5

14. Income taxes

Income tax benefit recognized in other comprehensive income is as follows:

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Income tax (benefit) of cash flow hedges and available-for-sale financial assets:				
(Losses) gains	\$ (18.0)	\$ 4.7	\$ (33.8)	\$ (40.6)
Reclassification of (losses) gain to non-financial assets	6.1	(5.2)	2.7	(21.2)
Reclassification of (losses) gains to income	0.2	(0.1)	(2.2)	(0.5)
	\$ (11.7)	\$ (0.6)	\$ (33.3)	\$ (62.3)

In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. While the Company has determined that its tax filing positions are appropriate and supportable, from time to time certain matters are reviewed and challenged by the tax authorities.

There have been no material changes in ongoing audits by tax authorities as disclosed in Note 15 to the consolidated financial statements contained in the Company's 2016 Report to Shareholders.

The Company regularly reviews the potential for adverse outcomes with respect to tax matters. The Company believes that the ultimate disposition of these will not have a material adverse effect on its liquidity, consolidated financial position, or net income because the Company has determined that it has adequate provision for these tax matters. Should the ultimate tax liability materially differ from the provision, the Company's effective tax rate and its earnings could be affected positively or negatively in the period in which the matters are resolved.

15. Notes to the condensed interim consolidated statements of cash flows

Cash and cash equivalents, net of bank indebtedness, comprise the following:

(C\$ in millions)	September 30, 2017	October 1, 2016	December 31, 2016
As at			
Cash	\$ 73.2	\$ 127.5	\$ 81.0
Cash equivalents	146.2	162.4	738.2
Restricted cash and cash equivalents ¹	434.0	10.3	10.5
Total cash and cash equivalents ²	653.4	300.2	829.7
Bank indebtedness	—	(38.5)	(5.9)
Cash and cash equivalents, net of bank indebtedness	\$ 653.4	\$ 261.7	\$ 823.8

¹ Relates to GCCT and is restricted for the purpose of paying note holders and additional funding costs.

² Included in cash and cash equivalents are amounts held in reserve in support of Financial Services' liquidity and regulatory requirements.

Change in operating working capital and other comprise the following:

For the (C\$ in millions)	13 weeks ended		39 weeks ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Change in operating working capital				
Trade and other receivables	\$ (341.3)	\$ (257.2)	\$ (202.0)	\$ (173.2)
Merchandise inventories	(344.0)	(347.4)	(542.2)	(432.3)
Prepaid expenses and deposits	(0.9)	12.1	(28.9)	(24.7)
Trade and other payables	442.5	357.7	263.1	110.8
Total	(243.7)	(234.8)	(510.0)	(519.4)
Change in other				
Provisions	(1.4)	9.4	4.0	28.6
Long-term provisions	(1.3)	1.2	(1.3)	(0.2)
Other long-term liabilities	4.6	5.8	(7.9)	11.0
Total	1.9	16.4	(5.2)	39.4
Change in operating working capital and other	\$ (241.8)	\$ (218.4)	\$ (515.2)	\$ (480.0)

Capital commitments

As at September 30, 2017, the Company had capital commitments for the acquisition of property and equipment, investment property and intangible assets for an aggregate cost of approximately \$61.2 million (2016 – \$99.4 million).

16. Financial instruments

16.1 Fair value of financial instruments

Fair values have been determined for measurement and/or disclosure purposes based on the following:

The carrying amount of the Company's cash and cash equivalents, trade and other receivables, loans receivable, bank indebtedness, trade and other payables, short-term borrowings, and loans payable approximate their fair value either due to their short-term nature or because they are derivatives, which are carried at fair value.

The carrying amount of the Company's long-term receivables and other assets approximate their fair value either because the interest rates applied to measure their carrying amount approximate current market interest or because they are derivatives, which are carried at fair value.

Fair values of financial instruments reflect the credit risk of the Company and counterparties when appropriate.

Investments in equity and debt securities

The fair values of financial assets at FVTPL, held-to-maturity investments, and available-for-sale financial assets that are traded in active markets are determined by reference to their quoted closing bid price or dealer price quotations at the reporting date. For investments that are not traded in active markets, the Company determines fair values using a combination of discounted cash flow models, comparison to similar instruments for which market-observable prices exist, and other valuation models.

Derivatives

The fair value of a foreign exchange forward contract is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps reflects the estimated amounts the Company would receive or pay if it were to settle the contracts at the measurement date, and is determined by an external valuator using valuation techniques based on observable market input data.

The fair value of equity derivatives is determined by reference to share price movement adjusted for interest using market interest rates specific to the terms of the underlying derivative contracts.

Redeemable financial instrument

The fair value of the redeemable financial instrument is calculated based on a discounted cash flow model using normalized earnings attributable to the Financial Services business, adjusted for any undistributed earnings and Scotiabank's proportionate interest in the Financial Services business. This recurring fair value measurement is categorized within Level 3 of the fair value hierarchy. Refer to Note 3 and Note 32 to the consolidated financial statements contained in the Company's 2016 Report to Shareholders for further information regarding this financial instrument.

16.2 Fair value measurement of debt and deposits

The fair value measurement of debt and deposits is categorized within Level 2 of the fair value hierarchy as described in Note 32.4 to the consolidated financial statements contained in the Company's 2016 Report to Shareholders. The fair values of the Company's debt and deposits compared to the carrying amounts are as follows:

As at (C\$ in millions)	September 30, 2017		October 1, 2016		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities carried at amortized cost						
Debt	\$ 3,834.2	\$ 3,942.5	\$ 3,325.2	\$ 3,564.6	\$ 3,320.5	\$ 3,476.9
Deposits	\$ 2,368.6	\$ 2,426.4	\$ 2,174.3	\$ 2,192.0	\$ 2,181.5	\$ 2,197.9

The difference between the fair values and the carrying amounts (excluding transaction costs that are included in the carrying amount of debt) is due to decreases in market interest rates for similar instruments. The fair values are determined by discounting the associated future cash flows using current market interest rates for items of similar risk.

16.3 Fair value of financial assets and financial liabilities classified using the fair value hierarchy

The Company uses a fair value hierarchy to categorize the inputs used to measure the fair value of financial assets and financial liabilities.

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy:

(C\$ in million)

As at	Category	September 30, 2017		October 1, 2016		December 31, 2016	
		Level		Level		Level	
Balance sheet line	Category	Level		Level		Level	
Short-term investments	FVTPL	2	\$ 40.3	2	\$ 60.5	2	\$ 38.6
Short-term investments	Available for sale	2	105.8	2	106.1	2	78.6
Long-term investments	Available for sale	2	176.1	2	165.1	2	175.2
Trade and other receivables	FVTPL ¹	2	15.3	2	32.4	2	26.7
Trade and other receivables	Effective hedging instruments	2	2.8	2	19.2	2	49.9
Long-term receivables and other assets	FVTPL ¹	2	23.1	2	20.6	2	26.0
Long-term receivables and other assets	Effective hedging instruments	2	17.8	2	7.5	2	20.2
Trade and other payables	FVTPL ¹	2	11.3	2	1.9	2	1.1
Trade and other payables	Effective hedging instruments	2	79.5	2	33.2	2	12.3
Redeemable financial instrument	FVTPL	3	517.0	3	517.0	3	517.0
Other long-term liabilities	Effective hedging instruments	2	8.3	2	27.6	2	8.3

¹ Includes derivatives that are classified as held for trading.

There were no transfers in either direction among categories during the 13 and 39 weeks ended September 30, 2017 or 13 and 39 weeks ended October 1, 2016.

17. Business combinations

On July 14, 2017, the Company completed the acquisition of Padinox Inc., the company that owned the Canadian rights to the Paderno brand, for cash consideration of \$19.3 million. The fair value of the net assets acquired approximates the total consideration transferred. The financial results of Padinox Inc. have been included in these interim financial statements since the date of acquisition.

18. Legal matters

The Company is party to a number of legal and regulatory proceedings. The Company has determined that each such proceeding constitutes a routine matter incidental to the business conducted by the Company and that the ultimate disposition of the proceedings will not have a material effect on its consolidated net income, cash flows, or financial position.

19. Comparative figures

Certain of the prior period figures have been reclassified to align with Management's current view of the Company's operations.