ALIMENTATION COUCHE-TARD ANNOUNCES ITS RESULTS FOR ITS FIRST QUARTER OF FISCAL YEAR 2019

- Net earnings attributable to shareholders of the Corporation ("net earnings") of $455.6 million ($0.81 per share on a diluted basis) for the first quarter of fiscal 2019 compared with $364.7 million ($0.64 per share on a diluted basis) for the first quarter of fiscal 2018. Excluding certain items for both comparable periods, net earnings for the quarter would have been approximately $498.0 million[1] or $0.88[1] per share on a diluted basis, compared with $0.67[1] per share on a diluted basis for the first quarter of fiscal 2018, an increase of 31.3%.
- Total merchandise and service revenues of $3.5 billion, an increase of 27.6%. Same-store merchandise revenues increased by 4.2% in the U.S., by 7.3% in Europe and by 6.6% in Canada.
- Merchandise and service gross margin increased by 0.2% in the U.S., to 33.5%, and by 0.3% in Europe, to 42.4%, while it decreased by 0.5% in Canada, to 34.5%, mainly driven by changes in product mix.
- Total road transportation fuel volumes grew by 31.9%. Same-store road transportation fuel volumes increased by 0.6% in the U.S., while same-store volumes decreased by 0.1% in Europe and by 3.3% in Canada.
- Road transportation fuel gross margin increased by US 1.95¢ per gallon in the U.S. to US 22.70¢ per gallon, by US 0.24¢ per litre in Europe, to US 9.21¢ per litre and by CA 0.69¢ per litre in Canada, to CA 8.91¢ per litre.
- Current annual synergies run rate related to the CST Brands Inc. ("CST") integration reached approximately $189.0 million.
- Following strong debt repayments, adjusted leverage ratio continued to improve and reached 2.86:1.
- Circle K rebranding project continues in North America and Ireland. More than 3,650 stores in North America and more than 1,700 stores in Europe now display the new Circle K global brand.
- Return on equity and return on capital employed at 24.8% and 12.3%, respectively, on a pro-forma basis.

Laval, Quebec, Canada, September 5, 2018 – For its first quarter ended July 22, 2018, Alimentation Couche-Tard Inc. (TSX: ATD.A) (TSX: ATD.B) announces net earnings attributable to shareholders of the Corporation of $455.6 million, representing $0.81 per share on a diluted basis. The results for the first quarter of fiscal 2019 were affected by a $55.0 million pre-tax impairment charge on CrossAmerica Partners LP's ("CAPL") goodwill, pre-tax restructuring costs of $1.5 million, a pre-tax net foreign exchange loss of $1.0 million as well as pre-tax acquisition costs of $0.5 million. The results for the comparable quarter of fiscal 2018 were affected by pre-tax restructuring and integration costs of $43.2 million (of which $5.2 million was attributable to non-controlling interest), a pre-tax net foreign exchange loss of $20.3 million, a $13.4 million tax recovery following an internal reorganization, an $11.5 million pre-tax gain on the disposal of a terminal, an $8.8 million pre-tax gain on the investment the Corporation held in CST, a $3.7 million pre-tax accelerated depreciation and amortization expense in connection with the Corporation's global brand initiative, as well as pre-tax acquisition costs of $3.3 million. Excluding these items, the adjusted diluted net earnings per share would have been $0.88 for the first quarter of fiscal 2019, compared with $0.67 for the first quarter of fiscal 2018, an increase of 31.3%, driven by the contribution from acquisitions, higher road transportation fuel margins, organic growth, as well as lower income tax rate, partly offset by higher financing expenses following the Corporation's recent acquisitions. All financial information is in US dollars unless stated otherwise.

"Overall, we are very pleased with the results this quarter. In particular, we had strong year-over-year same-store merchandise revenues increases across the network in the U.S., Canada, and Europe with a good balance of in-store traffic and basket growth while we were able to maintain or improve underlying margins in most geographies", stated Brian Hannasch, President and CEO of Alimentation Couche-Tard. "During the quarter, we had parts of our network that benefited from better weather than last year, particularly in Europe and Eastern Canada. As first seen in the fourth quarter of fiscal 2018, all geographies also continue to see improving traffic trends, partially driven by the ramping up of our promotional marketing and advertising initiatives, as well as by strong consumer spending."

[1] Please refer to the section "Net earnings attributable to shareholders of the Corporation ("net earnings") and adjusted net earnings attributable to shareholders of the Corporation ("adjusted net earnings")" of this press release for additional information on this performance measure not defined by IFRS.

Brian Hannasch continued: “I am also pleased with our fuel volumes and margins in the U.S. and in Europe in the facing of rising retail prices. In the U.S., we had generally healthy margins as well as improvement in volumes in the business units with CST sites. Also, while we did see volume growth in most of Canada, our Esso branded stores were affected by a temporary gap in loyalty programs this quarter.”

“This quarter marked the one-year anniversary of our CST acquisition, and I am very proud of the integration and results. It all starts with people, and we have added a lot of great people to the Couche-Tard family who have done an amazing job turning around trends. Once again this quarter, we had good same-store merchandise growth, and we continued to realize impressive synergies. We are also well on our way in rebranding the former Corner Stores locations to Circle K with the initiative starting in the Rocky Mountain Business Unit, and the “We are Circle K” campaign in full swing across Texas,” concluded Brian Hannasch.

Claude Tessier, Chief Financial Officer stated: “Our solid results this quarter have once again generated strong cash flow that is allowing us to accelerate our deleveraging plan as evidenced by our adjusted leverage ratio of 2.86:1. While in-store hourly-wage rate pressures brought this quarter’s growth in expenses to higher levels than in the past, we have effectively kept the rest of our cost increases in line with inflation. As always, this cost control is due to our rigorous financial discipline and focus on increasing value for our shareholders.”

Significant Items of the First Quarter of Fiscal 2019

- During the quarter, as part of our costs 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 operations. As such, an additional restructuring expense of $1.5 million was recorded during the first quarter of fiscal 2019.

- As at July 22, 2018, our annual synergies run rate for the CST acquisition reached approximately $189.0 million. These synergies should result in reductions in operating, selling, administrative and general expenses, as well as improvements in road transportation fuel and merchandise distribution and supply costs. We expect that our synergies will reach $215.0 million[1] over the 3 years following the close of the transaction.

- During the quarter, we adjusted our assessment of the fair value of the assets acquired, the liabilities assumed and the goodwill for the Holiday acquisition. The preliminary adjustments, which are subject to material adjustments until the process is completed, had the following impact on our previously reported net earnings:

	16-week period ended February 4, 2018			40-week period ended February 4, 2018		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net earnings	490.5	(1.2)	489.3	1,283.5	(1.2)	1,282.3
Net earnings attributable to non-controlling interests	(6.9)	-	(6.9)	(2.7)	-	(2.7)
Net earnings attributable to shareholders of the Corporation	483.6	(1.2)	482.4	1,280.8	(1.2)	1,279.6

	12-week period ended April 29, 2018			52-week period ended April 29, 2018		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net earnings	397.0	(1.8)	395.2	1,680.5	(3.0)	1,677.5
Net earnings attributable to non-controlling interests	(4.2)	-	(4.2)	(6.9)	-	(6.9)
Net earnings attributable to shareholders of the Corporation	392.8	(1.8)	391.0	1,673.6	(3.0)	1,670.6

- The rollout of the Circle K brand in North America and Ireland is progressing steadily. As of July 22, 2018, more than 3,650 stores in North America, including close to 300 stores acquired from CST, and more than 1,700 stores in Europe are now proudly displaying our new global brand.

- During the quarter, we performed our annual goodwill impairment test. As a result of the reduction in the fair value of the Incentive Distribution Rights and in CAPL’s market capitalization, we recorded a $55.0 million impairment charge to Depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets on the consolidated statement of earnings. We do not anticipate that the decrease in CAPL’s market capitalization nor the impairment charge will have a significant impact on our future earnings or cash flows.

[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.

Changes in our Network

- On July 3, 2018, we sold to Irving Oil Ltd. 13 retail sites in the Canadian Atlantic provinces for a cash consideration of approximately $30.0 million. This transaction resulted in a gain of $4.5 million. These stores, which will continue to be operated by Couche-Tard, were previously acquired through the CST acquisition.

- We completed the construction, relocation or reconstruction of 10 stores during the first quarter of fiscal 2019. As of July 22, 2018, 32 stores were under construction and should open in the upcoming quarters.

Summary of changes in our store network during the first quarter of fiscal 2019

The following table presents certain information regarding changes in our store network over the 12-week period ended July 22, 2018:

	12-week period ended July 22, 2018				
Type of site	**Company-operated**	**CODO**	**DODO**	**Franchised and other affiliated**	**Total**
Number of sites, beginning of period	9,718	722	1,051	1,249	12,740
Acquisitions	-	-	-	-	-
Openings / constructions / additions	10	-	17	25	52
Closures / disposals / withdrawals	(68)	(2)	(10)	(11)	(91)
Store conversion	18	(20)	2	-	-
Number of sites, end of period	**9,678**	**700**	**1,060**	**1,263**	**12,701**
CAPL network					1,304
Circle K branded sites under licensing agreements					2,055
Total network					**16,060**
Number of automated fuel stations included in the period-end figures	973	-	14	-	987

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:

	12-week periods ended	
	July 22, 2018	July 23, 2017
Average for period		
Canadian dollar	**0.7673**	0.7524
Norwegian krone	**0.1234**	0.1187
Swedish krone	**0.1138**	0.1156
Danish krone	**0.1575**	0.1508
Zloty	**0.2726**	0.2663
Euro	**1.1734**	1.1216
Ruble	**0.0160**	0.0172

Summary analysis of consolidated results for the first quarter of fiscal 2019

The following table highlights certain information regarding our operations for the 12-week periods ended July 22, 2018 and July 23, 2017. CAPL refers to CrossAmerica Partners LP.

	12-week periods ended		
(in millions of US dollars, unless otherwise stated)	**July 22, 2018**	July 23, 2017	Variation %
Statement of Operations Data:			
Merchandise and service revenues[(1)]:			
United States	**2,609.1**	1,981.1	31.7
Europe	**368.7**	320.6	15.0
Canada	**544.4**	477.1	14.1
CAPL	**26.3**	1.0	2,530.0
Elimination of intercompany transactions with CAPL	***(0.7)***	-	*100.0*
Total merchandise and service revenues	**3,547.8**	2,779.8	27.6
Road transportation fuel revenues:			
United States	**7,159.5**	4,242.0	68.8
Europe	**1,952.5**	1,597.7	22.2
Canada	**1,291.8**	967.4	33.5
CAPL	**633.7**	15.6	3,962.2
Elimination of intercompany transactions with CAPL	***(140.3)***	*(2.7)*	*5,096.3*
Total road transportation fuel revenues	**10,897.2**	6,820.0	59.8
Other revenues[(2)]:			
United States	**5.4**	3.1	74.2
Europe	**319.0**	237.5	34.3
Canada	**6.2**	6.6	(6.1)
CAPL	**15.2**	0.5	2,940.0
Elimination of intercompany transactions with CAPL	***(4.3)***	*(0.3)*	*1,333.3*
Total other revenues	**341.5**	247.4	38.0
Total revenues	**14,786.5**	9,847.2	50.2
Merchandise and service gross profit[(1)]:			
United States	**874.8**	659.4	32.7
Europe	**156.3**	134.9	15.9
Canada	**187.9**	167.0	12.5
CAPL	**6.4**	0.3	2,033.3
Elimination of intercompany transactions with CAPL	***(0.6)***	-	*100.0*
Total merchandise and service gross profit	**1,224.8**	961.6	27.4
Road transportation fuel gross profit:			
United States	**560.0**	402.5	39.1
Europe	**246.5**	239.1	3.1
Canada	**100.0**	82.6	21.1
CAPL	**26.6**	0.7	3,700.0
Total road transportation fuel gross profit	**933.1**	724.9	28.7
Other revenues gross profit[(2)]:			
United States	**5.3**	3.1	71.0
Europe	**36.8**	42.2	(12.8)
Canada	**6.2**	6.8	(8.8)
CAPL	**15.2**	0.5	2,940.0
Elimination of intercompany transactions with CAPL	***(4.3)***	*(0.3)*	*1,333.3*
Total other revenues gross profit	**59.2**	52.3	13.2
Total gross profit	**2,217.1**	1,738.8	27.5
Operating, selling, administrative and general expenses			
Excluding CAPL	**1,294.7**	1,031.5	25.5
CAPL	**22.6**	0.8	2,725.0
Elimination of intercompany transactions with CAPL	***(4.8)***	*(1.0)*	*380.0*
Total Operating, selling, administrative and general expenses	**1,312.5**	1,031.3	27.3
Restructuring costs (including $6.5 million for CAPL for the first quarter of fiscal 2018)	**1.5**	43.2	(96.5)
Loss (gain) on disposal of property and equipment and other assets (including a $7.1 million loss for CAPL for the first quarter of fiscal 2019)	**0.2**	(16.8)	101.2
Depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets			
Excluding CAPL	**268.2**	169.8	58.0
CAPL	**33.3**	0.5	6,560.0
Total depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets	**301.5**	170.3	77.0
Operating income			
Excluding CAPL	**616.3**	516.4	19.3
CAPL	**(14.8)**	(6.3)	134.9
Elimination of intercompany transactions with CAPL	***(0.1)***	*0.7*	*(114.3)*
Total operating income	**601.4**	510.8	17.7
Net earnings including non-controlling interests	**442.6**	359.5	23.1
Net loss attributable to non-controlling interests	**13.0**	5.2	150.0
Net earnings attributable to shareholders of the Corporation	**455.6**	364.7	24.9
Per Share Data:			
Basic net earnings per share (dollars per share)	**0.81**	0.64	26.6
Diluted net earnings per share (dollars per share)	**0.81**	0.64	26.6
Adjusted diluted net earnings per share (dollars per share)	**0.88**	0.67	31.3

(in millions of US dollars, unless otherwise stated)	**12-week periods ended** **July 22, 2018**	July 23, 2017	Variation %
Other Operating Data – excluding CAPL:			
Merchandise and service gross margin[(1)]:			
Consolidated	**34.6%**	34.6%	-
United States	**33.5%**	33.3%	0.2
Europe	**42.4%**	42.1%	0.3
Canada	**34.5%**	35.0%	(0.5)
Growth of (decrease in) same-store merchandise revenues[(3)]:			
United States[(4)(13)]	**4.2%**	1.4%	
Europe	**7.3%**	1.4%	
Canada[(4)(13)]	**6.6%**	(0.2%)	
Road transportation fuel gross margin:			
United States (cents per gallon)[(4)]	**22.70**	20.75	9.4
Europe (cents per litre)	**9.21**	8.97	2.7
Canada (CA cents per litre)[(4)]	**8.91**	8.22	8.4
Total volume of road transportation fuel sold:			
United States (millions of gallons)	**2,574.6**	1,934.3	33.1
Europe (millions of litres)	**2,676.4**	2,664.2	0.5
Canada (millions of litres)	**1,469.2**	1,329.1	10.5
Growth of (decrease in) same-store road transportation fuel volume:			
United States[(4)(13)]	**0.6%**	0.4%	
Europe	**(0.1%)**	(0.3%)	
Canada[(4)(13)]	**(3.3%)**	(0.2%)	

(in millions of US dollars, unless otherwise stated)	**July 22, 2018**	April 29, 2018[(14)]	Variation $
Balance Sheet Data:			
Total assets (excluding $1.3 billion for CAPL as of July 22, 2018 and as of April 29, 2018)	**21,571.2**	21,865.2	(294.0)
Interest-bearing debt (excluding $541.3 million and $536.8 million for CAPL as of July 22, 2018 and as of April 29, 2018, respectively)	**7,842.8**	8,369.1	(526.3)
Shareholders' equity	**7,838.4**	7,560.4	278.0
Indebtedness Ratios[(5)]:			
Net interest-bearing debt/total capitalization[(6)]	**0.47 : 1**	0.50 : 1	
Leverage ratio[(7)(11)]	**2.18 : 1**	2.46 : 1	
Adjusted leverage ratio[(8)(11)]	**2.86 : 1**	3.13 : 1	
Returns[(5)]:			
Return on equity[(9)(11)]	**24.8%**	24.8%	
Return on capital employed[(10)(12)]	**12.3%**	12.0%	

(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 and from the sale of stationary energy, marine fuel and aviation fuel.
(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) For company-operated stores only.
(5) 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.
(6) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by the addition of shareholders' equity and long-term debt, net of cash and cash equivalents and temporary investments. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other public corporations. For the purpose of this calculation, CAPL's long-term debt is excluded as it is a non-recourse debt to the Corporation, as referenced in note 5. We believe this ratio is useful to investors and analysts.
(7) This ratio is presented for information purposes only and represents a measure of financial condition used especially in financial circles. It represents the following calculation: long-term interest-bearing debt, net of cash and cash equivalents and temporary investments divided by EBITDA (Earnings before Interest, Tax, Depreciation, 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, as referenced in note 5. We believe this ratio is useful to investors and analysts.
(8) 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, as referenced in note 5. We believe this measure is useful to investors and analysts.
(9) 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. We believe this measure is useful to investors and analysts.
(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: 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. We believe this measure is useful to investors and analysts.
(11) As of July 22, 2018, these ratios are presented for the 52-week period ended July 22, 2018 on a pro forma basis for the acquisition of Holiday. As of April 29, 2018, these ratios are presented for the 52-week period ended April 29, 2018 on a pro forma basis for the acquisition of CST and Holiday. CST and Holiday's earnings and balance sheet figures have been adjusted to make their presentation in line with Couche-Tard's policies.
(12) As of July 22, 2018 and as of April 29, 2018, this ratio is presented for the 52-week period ended July 22, 2018 and for the 52-week period ended April 29, 2018, respectively, on a pro forma basis for the acquisition of CST and Holiday. CST and Holiday's earnings and balance sheet figures have been adjusted to make their presentation in line with Couche-Tard's policies.
(13) Does not include CST stores for the 12-week period ended July 23, 2017.
(14) The information as of April 29, 2018, has been adjusted based on our assessment of the fair value of the assets acquired, the liabilities assumed and the goodwill for the Holiday acquisition.

Revenues

Our revenues were $14.8 billion for the first quarter of fiscal 2019, up by $4.9 billion, an increase of 50.2% compared with the corresponding quarter of fiscal 2018, mainly attributable to the contribution from acquisitions, to a higher average road transportation fuel selling price, to organic growth, as well as to the positive net impact from the translation of revenues of our Canadian and European operations into US dollars.

More specifically, total merchandise and service revenues for the first quarter of fiscal 2019 were $3.5 billion, an increase of $768.0 million compared with the corresponding quarter of fiscal 2018. Excluding CAPL's revenues, as well as the positive net impact from the translation of our Canadian and European operations into US dollars, merchandise and service revenues increased by approximately $722.0 million or 26.0%. This increase is primarily attributable to the contribution from acquisitions, which amounted to approximately $584.0 million, and to organic growth. The success of our strategies to drive traffic in stores as well as more favorable weather conditions in several regions contributed to our great results in all geographies. Same-store merchandise revenues increased by 4.2% in the United States, continuing on the improved trends from the last quarter. Same-store merchandise revenues increased by 5.4% in our CST U.S. stores network, driven by the success of our rebranding activities and improvements made to our offering. In Europe, same-store merchandise revenues increased by 7.3%, thanks to the success of our rebranding activities and the rollout and improvements of our food programs. In Canada, same-store merchandise revenues increased by 6.6%, partly driven by strong performance of our CST Canada sites which posted a growth in merchandise revenues of 7.6% as well as by higher taxes on cigarettes and other tobacco products.

Total road transportation fuel revenues for the first quarter of fiscal 2019 were $10.9 billion, an increase of $4.1 billion compared with the corresponding quarter of fiscal 2018. 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 $3.6 billion or 52.3%. This increase was attributable to the contribution from acquisitions, which amounted to approximately $1.9 billion, as well as to the impact of a higher average road transportation fuel selling price, which had a positive impact of approximately $1.7 billion. Same-store road transportation fuel volumes in the United States increased by 0.6%, including the nice performance of our CST U.S. network, which posted same-store road transportation fuel volumes growth of 1.0%. In Europe, same-store road transportation fuel volumes decreased by 0.1%. In Canada, same-store road transportation fuel volumes decreased by 3.3%, due to a temporary gap in loyalty program in our Esso stores and to our continued strategy in our CST stores aimed at growing overall profitability.

The following table shows the average selling price of road transportation fuel in our various markets, starting with the second quarter of the fiscal year ended April 30, 2017:

Quarter	2nd	3rd	4th	1st	Weighted average
52-week period ended July 22, 2018					
United States (US dollars per gallon) – excluding CAPL	2.47	2.30	2.51	2.76	2.50
Europe (US cents per litre)	68.23	71.19	78.32	75.07	73.01
Canada (CA cents per litre)	101.46	108.11	110.39	117.95	109.37
53-week period ended July 23, 2017					
United States (US dollars per gallon) – excluding CAPL	2.10	2.18	2.25	2.21	2.19
Europe (US cents per litre)	58.01	61.87	62.46	61.39	60.98
Canada (CA cents per litre)	90.36	94.67	97.20	99.81	96.02

Total other revenues for the first quarter of fiscal 2019 were $341.5 million, an increase of $94.1 million compared with the corresponding quarter of fiscal 2018. Excluding CAPL's revenues, other revenues increased by $83.4 million in the first quarter of fiscal 2019, primarily driven by an increase in aviation fuel demand and an increase in other products fuel selling price.

Gross profit

Our gross profit was $2.2 billion for the first quarter of fiscal 2019, up by $478.3 million, an increase of 27.5% compared with the corresponding quarter of fiscal 2018, mainly attributable to the contribution from acquisitions, to higher fuel margins, to organic growth, 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.

In the first quarter of fiscal 2019, our merchandise and service gross profit was $1.2 billion, an increase of $263.2 million compared with the corresponding quarter of fiscal 2018. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, merchandise and service gross profit increased by approximately $249.0 million or 25.9%. This increase is attributable to the contribution from acquisitions, which amounted to approximately $193.0 million and to our organic growth. Our gross margin increased by 0.2% in the United States to 33.5% and by 0.3% in Europe to 42.4%. In Canada, our gross margin decreased by 0.5% to 34.5%, mainly as a result of changes in our product mix as well as from the impact of the conversion of certain Esso agent sites to company-operated stores.

In the first quarter of fiscal 2019, our road transportation fuel gross profit was $933.1 million, an increase of $208.2 million compared with the corresponding quarter of fiscal 2018. Excluding CAPL's gross profit, as well as the net positive impact from the translation of our Canadian and European operations into US dollars, our first quarter of fiscal 2019 road transportation fuel gross profit increased by approximately $172.0 million or 23.7%. Our road transportation fuel gross margin was 22.70¢ per gallon in the United States, an increase of 1.95¢ per gallon. In Europe, the road transportation fuel gross margin was US 9.21¢ per litre, an increase of US 0.24¢ per litre, while in Canada, the road transportation fuel gross margin was CA 8.91¢ per litre, an increase of CA 0.69¢ per litre still driven by the inclusion of the CST stores in our network and different pricing strategies.

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 second quarter of the fiscal year ended April 30, 2017, were as follows:

(US cents per gallon)

Quarter	2nd	3rd	4th	1st	Weighted average
52-week period ended July 22, 2018					
Before deduction of expenses related to electronic payment modes	24.70	15.66	17.29	22.70	19.42
Expenses related to electronic payment modes	4.21	3.73	3.62	4.21	3.92
After deduction of expenses related to electronic payment modes	20.49	11.92	13.67	18.49	15.50
53-week period ended July 23, 2017					
Before deduction of expenses related to electronic payment modes	19.87	18.33	15.47	20.75	18.59
Expenses related to electronic payment modes	3.99	3.99	4.12	3.79	3.97
After deduction of expenses related to electronic payment modes	15.88	14.34	11.35	16.96	14.62

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 be relatively stable over longer periods. Margin volatility and expenses related to electronic payment modes are not as significant in Europe and Canada.

In the first quarter of fiscal 2019, other revenues gross profit was $59.2 million, an increase of $6.9 million compared with the corresponding quarter of fiscal 2018. Excluding CAPL's gross profit, other revenues gross profit decreased by $3.8 million in the first quarter of fiscal 2019.

Operating, selling, administrative and general expenses ("expenses")

For the first quarter of fiscal 2019, expenses increased by 27.3%, compared with the first quarter of fiscal 2018, but increased by only 3.6% if we exclude certain items as demonstrated by the following table:

	12-week period ended July 22, 2018
Total variance, as reported	**27.3%**
Adjusted for:	
Increase from incremental expenses related to acquisitions	**(18.5%)**
Increase from CAPL's expenses	**(2.1%)**
Increase from higher electronic payment fees, excluding acquisitions	**(2.1%)**
Increase from the net impact of foreign exchange translation	**(1.2%)**
Acquisition costs recognized to earnings of fiscal 2018	**0.3%**
Acquisition costs recognized to earnings of fiscal 2019	**(0.1%)**
Remaining variance	**3.6%**

Growth in expenses was primarily driven by higher minimum wages in certain regions, higher expenses needed to support our organic growth, by the conversion of CODO stores into company-operated stores and by proportionally higher operational expenses in our recently built stores, as these stores generally have a larger footprint and higher sales than the average of our existing network. Excluding the impact of higher hourly wages, growth in our expenses is generally in line with inflation, as we continue to rigorously focus on controlling 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 first quarter of fiscal 2019, EBITDA increased from $689.7 million to $910.0 million, a growth of 31.9% compared with the same quarter last year. Excluding the specific items shown in the table below from EBITDA of the first quarter of fiscal 2019 and of the corresponding period of fiscal 2018, the adjusted EBITDA for the first quarter of fiscal 2019 increased by $182.2 million or 25.5% compared with the corresponding period of the previous fiscal year, mainly through the contribution from acquisitions, higher fuel margins, organic growth and the net positive impact from the translation of the results of our Canadian and European operations into US dollars. Acquisitions contributed approximately $143.0 million to the adjusted EBITDA of the first quarter of fiscal 2019, while the variation in exchange rates had a net positive impact of approximately $8.0 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 and payment of dividends. Note that our definition of these measures may differ from the one used by other public corporations:

	12-week periods ended	
(in millions of US dollars)	**July 22, 2018**	July 23, 2017
Net earnings, as reported	**442.6**	359.5
Add:		
Income taxes	**88.2**	100.7
Net financial expenses	**77.7**	59.2
Depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets	**301.5**	170.3
EBITDA	**910.0**	689.7
Adjusted for:		
EBITDA attributable to non-controlling interests	**(14.5)**	4.6
Restructuring costs attributable to shareholders of the Corporation (including $1.2 million for our interest in CAPL for the 12-week period ended July 23, 2017)	**1.5**	38.0
Acquisition costs	**0.5**	3.3
Gain on disposal of a terminal	**-**	(11.5)
Gain on investment in CST	**-**	(8.8)
Adjusted EBITDA	**897.5**	715.3

Depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets ("depreciation")

For the first quarter of fiscal 2019, our depreciation expense increased by $131.2 million. Excluding CAPL's results as well as the $55.0 million impairment charge on CAPL's goodwill, the depreciation expense increased by $43.4 million for the first quarter of fiscal 2019, 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.

Net financial expenses

Net financial expenses for the first quarter of fiscal 2019 were $77.7 million, an increase of $18.5 million compared with the first quarter of fiscal 2018. Excluding the net foreign exchange losses of $1.0 million and $20.3 million as well as CAPL's financial expenses of $7.0 million and $0.2 million recorded in the first quarters of fiscal 2019 and fiscal 2018, respectively, net financial expenses increased by $31.1 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 $1.0 million for the first quarter of fiscal 2019 is mainly due to the impact of foreign exchange variations on certain cash balances and working capital items.

Income taxes

The income tax rate for the first quarter of fiscal 2019 was 16.6% compared with an income tax rate of 21.9% for the first quarter of fiscal 2018. Excluding the tax benefit stemming from the internal reorganization of the first quarter of fiscal 2018, our income tax rate would have been 24.8% for the first quarter of fiscal 2018. The decrease in the income tax rate of the first quarter of fiscal 2019 stems from a lower statutory income tax rate in the U.S. as well as from the impact of a different mix in our earnings across the various jurisdictions.

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

Net earnings for the first quarter of fiscal 2019 were $455.6 million, compared with $364.7 million for the first quarter of the previous fiscal year, an increase of $90.9 million or 24.9%. Diluted net earnings per share stood at $0.81, compared with $0.64 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 $6.0 million on net earnings of the first quarter of fiscal 2019.

Excluding the items shown in the table below from net earnings of the first quarter of fiscal 2019 and of fiscal 2018, adjusted net earnings for the first quarter of fiscal 2019 would have been approximately $498.0 million, compared with $381.0 million for the first quarter of fiscal 2018, an increase of $117.0 million or 30.7%. Adjusted diluted net earnings per share would have been approximately $0.88 for the first quarter of fiscal 2019 compared with $0.67 for the corresponding period of fiscal 2018, an increase of 31.3%.

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

(in millions of US dollars)	12-week periods ended July 22, 2018	July 23, 2017
Net earnings attributable to shareholders of the Corporation, as reported	**455.6**	364.7
Adjusted for:		
Impairment charge on CAPL's goodwill	**55.0**	-
Restructuring costs – attributable to shareholders of the Corporation	**1.5**	38.0
Net foreign exchange loss	**1.0**	20.3
Acquisition costs	**0.5**	3.3
Tax benefit stemming from an internal reorganization	**-**	(13.4)
Gain on disposal of a terminal	**-**	(11.5)
Gain on investment in CST	**-**	(8.8)
Accelerated depreciation and amortization expense	**-**	3.7
Tax impact of the items above and rounding	**(15.6)**	(15.3)
Adjusted net earnings attributable to shareholders of the Corporation	**498.0**	381.0

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.

Dividends

During its September 5, 2018 meeting, the Corporation's Board of Directors declared a quarterly dividend of CA 10.0¢ per share for the first quarter of fiscal 2019 to shareholders on record as at September 14, 2018, and approved its payment for September 28, 2018. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Profile

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche-Tard is 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), as well as in Ireland and also has an important presence in Poland.

As of July 22, 2018, Couche-Tard's network comprised 9,978 convenience stores throughout North America, including 8,691 stores with road transportation fuel dispensing. Its 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 105,000 people are employed throughout its network and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche-Tard supplies road transportation fuel under various brands to approximately 1,300 locations in the United States.

In Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through ten business units. As of July 22, 2018, Couche-Tard's network comprised 2,723 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. Couche-Tard also offers other products, including stationary energy, marine fuel and aviation fuel. Including employees at branded franchise stores, approximately 25,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, more than 2,000 stores are operated under the Circle K banner in 16 other countries and territories (Cambodia, China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Malaysia, Mexico, Mongolia, the Philippines, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 16,000 stores.

For more information on Alimentation Couche-Tard Inc. or to consult its quarterly Consolidated Financial Statements and Management Discussion and Analysis, please visit: http://corpo.couche-tard.com.

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The statements set forth in this press release, which describes Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "can", "shall", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated in or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche-Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in the reports filed by Couche-Tard with securities authorities in Canada and the United States. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this release is based on information available as of the date of the release.

Webcast on September 6, 2018, at 8:00 A.M. (EDT)

Couche-Tard invites analysts known to the Corporation to send their two questions to its management before 7:00 P.M. (EDT) on September 5, 2018.

Financial analysts, investors, media and any individuals interested in listening to the webcast on Couche-Tard's results which will take place online on September 6, 2018, at 8:00 A.M. (EDT) can do so by either accessing the Corporation's website at http://corpo.couche-tard.com by clicking in the "Investor Relations/Corporate presentations" section or by dialing 1-866-865-3087 or the international number 1-647-427-7450, followed by the access code 6296798#.

Rebroadcast: For individuals who will not be able to listen to the live webcast, a recording of the webcast will be available on the Corporation's website for a period of 90 days.