

Q1 2019

ALIMENTATION COUCHE-TARD INC.
MANAGEMENT DISCUSSION & ANALYSIS
12-week period ended July 22, 2018



Management Discussion and Analysis

The purpose of this Management Discussion and Analysis (“MD&A”) is, as required by regulators, to explain management’s point of view on the financial condition and results of the operations of Alimentation Couche-Tard Inc. (“Couche-Tard”) as well as its performance during the first quarter of the fiscal year ending April 28, 2019. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations, and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader’s understanding of Couche-Tard’s consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By “we”, “our”, “us” and “the Corporation”, we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars (“US dollars”) and determined on the basis of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). We also use measures in this MD&A that do not comply with IFRS. Where such measures are presented, they are defined and the reader is informed. This MD&A should be read in conjunction with the audited annual consolidated financial statements and notes thereto included in our 2018 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, is available on SEDAR at <http://www.sedar.com/> and on our website at <http://corpo.couche-tard.com/>.

Forward-Looking Statements

This MD&A includes certain statements that are “forward-looking statements” within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words “believe”, “could”, “should”, “intend”, “expect”, “estimate”, “assume” and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at September 5, 2018, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard’s or the industry’s outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include the effect of sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

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

The foregoing risks and uncertainties include the risks set forth under “Business Risks” in our 2018 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

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

As of July 22, 2018, our network comprised 9,978 convenience stores throughout North America, including 8,691 stores with road transportation fuel dispensing. Our North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 105,000 people are employed throughout our network and at our service offices in North America. In addition, through CrossAmerica Partners LP (“CAPL”), we supply road transportation fuel under various brands to approximately 1,300 locations in the United States.

In Europe, we operate a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through ten business units. As of July 22, 2018, our 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. We also

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

In addition, under licensing agreements, more than 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 our worldwide total network to more than 16,000 stores.

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

Value Creation

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

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

Exchange Rate Data

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

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

	12-week periods ended	
	July 22, 2018	July 23, 2017
Average for period⁽¹⁾		
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

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

	As at July 22, 2018	As at April 29, 2018
Period end		
Canadian dollar	0.7557	0.7763
Norwegian krone	0.1217	0.1250
Swedish krone	0.1123	0.1148
Danish krone	0.1566	0.1620
Zloty	0.2700	0.2863
Euro	1.1670	1.2070
Ruble	0.0158	0.0160

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

Overview of the First Quarter of Fiscal 2019

Financial results

Net earnings attributable to shareholders of the Corporation ("net earnings") amounted to \$455.6 million for the first quarter of fiscal 2019 compared with \$364.7 million for the first quarter of fiscal 2018. Diluted net earnings per share stood at \$0.81, compared with \$0.64 for the corresponding period of the previous year.

The results for the first quarter of fiscal 2019 were affected by a \$55.0 million pre-tax impairment charge on CAPL's 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 included pre-tax restructuring and integration costs of \$43.2 million (of which \$5.2 million is 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 we held in CST Brands Inc. ("CST"), a \$3.7 million pre-tax accelerated depreciation and amortization expense in connection with our 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 our recent acquisitions.

Changes in our network

Store construction

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.

Other changes

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.

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⁽¹⁾:

Type of site	12-week period ended July 22, 2018				
	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	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 ⁽⁶⁾	973	-	14	-	987

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

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

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

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

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

(6) These sites sell road transportation fuel only.

Restructuring

During the quarter, as part of our cost reduction initiatives and the search for synergies aimed at improving our efficiency, we made the decision to proceed with the restructuring of certain of our European operations. As such, an additional restructuring expense of \$1.5 million was recorded during the first quarter of fiscal 2019.

CST Integration

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 million¹ over the 3 years following the close of the transaction.

Holiday Stationstores, LLC Integration

On December 22, 2017, we acquired all the membership interest of Holiday Stationstores, LLC and certain affiliated companies ("Holiday"). During the first quarter of fiscal 2019, we adjusted our assessment of the fair value of the assets acquired, the liabilities assumed and the goodwill for the transaction. Consequently, part of the fair value adjustments, mainly for intangible assets and taxes, related to this acquisition are included in goodwill in the preliminary fair value assessment of the assets acquired and the liabilities assumed.

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.

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
Revenues	15,791.8	-	15,791.8	37,779.6	-	37,779.6
Cost of sales	13,473.8	-	13,473.8	31,679.1	-	31,679.1
Gross profit	2,318.0	-	2,318.0	6,100.5	-	6,100.5
Operating, selling, administrative and general expenses	1,593.0	-	1,593.0	3,822.5	-	3,822.5
Depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets	288.6	1.6	290.2	668.2	1.6	669.8
Operating income	426.3	(1.6)	424.7	1,574.1	(1.6)	1,572.5
Net financial expenses	110.9	-	110.9	259.7	-	259.7
Earnings before income taxes	324.6	(1.6)	323.0	1,340.5	(1.6)	1,338.9
Income taxes	(165.9)	(0.4)	(166.3)	57.0	(0.4)	56.6
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
Revenues	13,614.8	-	13,614.8	51,394.4	-	51,394.4
Cost of sales	11,603.8	-	11,603.8	43,282.9	-	43,282.9
Gross profit	2,011.0	-	2,011.0	8,111.5	-	8,111.5
Operating, selling, administrative and general expenses	1,302.9	-	1,302.9	5,125.4	-	5,125.4
Depreciation, amortization and impairment of property and equipment, goodwill, intangible assets, and other assets	238.2	2.6	240.8	906.4	4.2	910.6
Operating income	467.0	(2.6)	464.4	2,041.1	(4.2)	2,036.9
Net financial expenses	75.6	-	75.6	335.3	-	335.3
Earnings before income taxes	397.3	(2.6)	394.7	1,737.8	(4.2)	1,733.6
Income taxes	0.3	(0.8)	(0.5)	57.3	(1.2)	56.1
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

Global Circle K brand

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

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.

CrossAmerica Partners LP

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.

Outstanding shares and stock options

As at August 31, 2018, Couche-Tard had 126,908,950 Class A multiple-voting shares and 437,316,320 Class B subordinate voting shares issued and outstanding. In addition, as at the same date, Couche-Tard had 1,881,975 outstanding stock options for the purchase of Class B subordinate voting shares.

Dividends

During its September 5, 2018 meeting, the 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).

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 period ended July 22, 2018, and the 12-week period ended July 23, 2017.

(in millions of US dollars, unless otherwise stated)

Statement of Operations Data:

	12-week periods ended		
	July 22, 2018	July 23, 2017	Variation %
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	616.3	516.4	19.3
Excluding CAPL	(14.8)	(6.3)	134.9
CAPL	(0.1)	0.7	(114.3)
Elimination of intercompany transactions with CAPL	601.4	510.8	17.7
Total operating income	442.6	359.5	23.1
Net earnings including non-controlling interests	13.0	5.2	150.0
Net loss attributable to non-controlling interests	455.6	364.7	24.9
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)

Other Operating Data – excluding CAPL:

Merchandise and service gross margin⁽¹⁾:

	12-week periods ended		
	July 22, 2018	July 23, 2017	Variation %
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 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%)	

Balance Sheet Data:

	July 22, 2018	April 29, 2018 ⁽¹⁴⁾	Variation \$
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)
Equity attributable to the shareholders of the Corporation	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⁽⁹⁾:

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, from the sale 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 US 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	2 nd	3 rd	4 th	1 st	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	2 nd	3 rd	4 th	1 st	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:

(in millions of US dollars)	12-week periods ended	
	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.

Financial Position as at July 22, 2018

As shown by our indebtedness ratios included in the “Summary analysis of consolidated results for the first quarter of fiscal 2019” section and our net cash provided by operating activities, our financial position is solid.

Our total consolidated assets amounted to \$22.8 billion as at July 22, 2018, a decrease of \$317.8 million over the balance as at April 29, 2018, primarily from the negative effect from the variation in exchange rates at the balance sheet date. It should be noted that we have updated our balance sheet as at April 29, 2018 to reflect the adjustments we made to the fair value assessment of the assets acquired, the liabilities assumed and the goodwill for the Holiday acquisition.

During the 52-week period ended on July 22, 2018, we recorded a return on capital employed of 12.3%.

Significant balance sheet variations are explained as follows:

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

Long-term debt and current portion of long-term debt decreased by \$521.8 million, from \$8.9 billion as at April 29, 2018, to \$8.4 billion as at July 22, 2018, mainly as a result of net payments of \$458.8 million made on our revolving unsecured operating line of credit, in addition to the impact of the weakening of the Canadian dollar and Euro against the US dollar, which was approximately \$88.0 million.

Equity

Equity attributable to shareholders of the corporation amounted to \$7.8 billion as at July 22, 2018, up \$278.0 million compared with April 29, 2018, mainly reflecting net earnings for the first quarter of fiscal 2019, partly offset by other comprehensive loss, as well as dividends declared for the first quarter of fiscal 2019. For the 52-week period ended July 22, 2018, we recorded a return on equity of 24.8%.

At July 22, 2018, non-controlling interests' equity amounted to \$300.0 million, a decrease of \$27.0 million compared with April 29, 2018, mainly reflecting non-controlling interests' share in CAPL's losses and distributions.

Liquidity and Capital Resources

Our sources of liquidity remain unchanged compared with the fiscal year ended April 29, 2018. For further information, please refer to our 2018 Annual Report. With respect to our capital expenditures and acquisitions of the first quarter of fiscal 2019, they were financed using available cash as well as our existing revolving credit facilities. We expect that cash generated from operations together with borrowings available under our revolving unsecured credit facilities will be adequate to meet our liquidity needs in the foreseeable future.

Our revolving credit facilities are detailed as follow:

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

Credit agreement consisting of a revolving unsecured facility of a maximum amount of \$2,525.0 million. As at July 22, 2018, \$938.6 million of our operating credit D had been used. As at the same date, the weighted average effective interest rate was 3.415% and standby letters of credit in the amount of \$16.1 million were outstanding.

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

Credit agreement consisting of a revolving unsecured facility of an initial maximum amount of €25.0 million maturing on January 30, 2020. The credit facility is available in Euros, in the form of a revolving unsecured operating credit. The amounts borrowed bear interest at variable rates based on the funding base rate or the EURIBOR rate plus a fixed margin of 1.5%. As at July 22, 2018, operating credit F was unused, and it was cancelled subsequent to the end of the quarter.

CAPL US-dollar-denominated senior secured revolving credit facility, without recourse to the Corporation maturing in April 2020

CAPL has a credit agreement consisting of a US-dollar-denominated senior secured revolving credit facility of a maximum amount of \$650.0 million, maturing on April 25, 2020, under which swing-line loans may be drawn up to \$25.0 million and standby letters of credit may be issued up to an aggregate amount of \$45.0 million. This facility is without recourse to the Corporation.

As at July 22, 2018, \$514.6 million of CAPL’s revolving credit facility had been used. At the same date, the effective interest rate was 4.550% and CAPL was in compliance with the restrictive provisions and ratios imposed by the credit agreement.

Available liquidities

As at July 22, 2018, excluding CAPL’s revolving credit facility, a total of approximately \$1.6 billion was available under our revolving unsecured operating credit facilities and we were in compliance with the restrictive covenants and ratios imposed by the credit agreements at that date. Thus, at the same date, excluding CAPL’s cash and revolving credit facility, we had access to approximately \$2.4 billion through our available cash and revolving unsecured operating credit facilities.

Selected Consolidated Cash Flow Information

(in millions of US dollars)	12-week periods ended		
	July 22, 2018	July 23, 2017	Variation
Operating activities			
Net cash provided by operating activities	714.5	521.5	193.0
Investing activities			
Purchase of property and equipment, intangible assets and other assets	(202.0)	(182.5)	(19.5)
Proceeds from disposal of property and equipment and other assets	54.2	28.1	26.1
Restricted cash	(5.5)	4.1	(9.6)
Business acquisitions	-	(3,574.6)	3,574.6
Proceeds from disposal of CST’s assets held for sale	-	752.5	(752.5)
Proceeds from disposal of an available-for-sale investment	-	91.6	(91.6)
Net cash used in investing activities	(153.3)	(2,880.8)	2,727.5
Financing activities			
Net increase (decrease) in term revolving unsecured operating credit D	(458.8)	364.7	(823.5)
CAPL distributions paid to non-controlling interests	(14.0)	-	(14.0)
Net decrease in other debts	(8.3)	(10.5)	2.2
Net increase in CAPL senior secured revolving credit facility	5.1	-	5.1
Settlement of derivative financial instruments	3.0	(21.2)	24.2
Net increase in acquisition facility, net of financing costs	-	2,949.5	(2,949.5)
Repayment of debts assumed on the CST acquisition	-	(498.8)	498.8
Net cash (used) provided by financing activities	(473.0)	2,783.7	(3,256.7)
Credit ratings			
S&P Global Ratings – Corporate credit rating	BBB	BBB	
Moody’s - Senior unsecured notes credit rating	Baa2	Baa2	

Operating activities

During the first quarter of fiscal 2019, net cash from our operations reached \$714.5 million, up \$193.0 million compared with fiscal 2018, mainly due to higher net earnings.

Investing activities

During the first quarter of fiscal 2019, net investments in property and equipment, intangible assets and other assets amounted to \$147.8 million.

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

Financing activities

During the first quarter of fiscal 2019, we repaid a net amount of \$458.8 million on our revolving unsecured operating credit.

Contractual Obligations and Commercial Commitments

Other than the changes in our long-term debt described above, there were no major changes with respect to our contractual obligations and commercial commitments during the 12-week period ended July 22, 2018. For more information, please refer to our 2018 Annual Report.

Internal Controls over Financial Reporting

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure, in all material respects, the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at July 22, 2018, except for the exclusion of Holiday's internal controls described below, our management, following its assessment, certifies the design and operating effectiveness of the Corporation's disclosure controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 29, 2018, our management and our external auditors reported that these internal controls were effective.

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

Holiday's results since the acquisition date are included in our consolidated financial statements and constituted approximately 8.4% of total consolidated assets as of July 22, 2018, approximately 6.5% of consolidated revenues and 7.2% of consolidated net earnings attributable to shareholders for the 12-week period ending on that date.

Selected Quarterly Financial Information

Our 52-week reporting cycle is divided into quarters of 12 weeks each except for the third quarter, which comprises 16 weeks. When a fiscal year, such as fiscal 2017, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from our interim consolidated financial statements for each of the eight most recently completed quarters.

(in millions of US dollars except for per share data)	12-week period ended	52-week period ended				53-week period ended			
	July 22, 2018	April 29, 2018				April 30, 2017			
Quarter	1 st	4 th	3 rd	2 nd	1 st	4 th	3 rd	2 nd	
Weeks	12 weeks	12 weeks	16 weeks	12 weeks	12 weeks	13 weeks	16 weeks	12 weeks	
Revenues	14,786.5	13,614.8	15,791.8	12,140.6	9,847.2	9,622.6	11,415.8	8,445.5	
Operating income before depreciation, amortization and impairment of property and equipment, goodwill, intangibles assets, and other assets	902.9	705.2	714.9	846.3	681.1	514.4	628.7	617.0	
Depreciation, amortization and impairment of property and equipment, goodwill, intangibles assets, and other assets	301.5	240.8	290.2	209.3	170.3	154.4	210.1	156.7	
Operating income	601.4	464.4	424.7	637.0	510.8	360.0	418.6	460.3	
Share of earnings of joint ventures and associated companies accounted for using the equity method	7.1	5.9	9.2	8.3	8.6	7.2	8.4	5.3	
Net financial expenses	77.7	75.6	110.9	89.6	59.2	46.0	43.3	21.9	
Net earnings including non-controlling interests	442.6	395.2	489.3	433.5	359.5	277.6	287.0	321.5	
Net loss (earnings) attributable to non-controlling interests	13.0	(4.2)	(6.9)	(1.0)	5.2	-	-	-	
Net earnings attributable to shareholders of the Corporation	455.6	391.0	482.4	432.5	364.7	277.6	287.0	321.5	
Net earnings per share									
Basic	\$0.81	\$0.69	\$0.86	\$0.76	\$0.64	\$0.49	\$0.51	\$0.57	
Diluted	\$0.81	\$0.69	\$0.86	\$0.76	\$0.64	\$0.49	\$0.50	\$0.57	

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

Outlook

For fiscal 2019, our focus will remain the integration of our recent acquisitions into our network and the identification and realization of associated synergies. We will continue the implementation of some of our Circle K concepts into these sites and work towards increasing traffic to sites while sustaining margins and controlling our costs.

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

September 5, 2018