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PRESS RELEASE

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UNI-SELECT INC. – SALES INCREASED BY 6.2% AND NET EARNINGS INCREASED BY 8.7% IN THE SECOND QUARTER OF 2008

Boucherville, August 5, 2008 – Uni-Select Inc. reported sales of \$332,631,000 in the second quarter of 2008, an increase of 6.2% compared to sales of \$313,257,000 in 2007. The increase in sales for the Company is primarily due to the various acquisitions completed in recent quarters partially offset by the unfavorable US exchange rate compared to the Canadian dollar. The net earnings increased to \$12,689,000 in the second quarter of 2008 or \$0.64 per share compared to \$11,675,000 or \$0.59 per share last year. Excluding the impact of the exchange rate, sales for the Company would have increased 10.3% and earnings would have been \$0.67 per share for the quarter, an increase of 13.6%.

For the first six months of 2008, sales were \$614,329,000, an increase of \$27,907,000 or 4.8% compared to the same period last year. The net earnings reached \$18,750,000 or \$0.95 per share compared to the net earnings of \$17,503,000 or \$0.89 per share attained in the first six months of 2007, an increase of 6.7%.

(in millions except earnings per share)	2ND QUARTER		1ST SEMESTER	
	2008	2007	2008	2007
Sales	332.6	313.3	614.3	586.4
Net earnings	12.7	11.7	18.7	17.5
Earnings per share	0.64	0.59	0.95	0.89

Sales for Automotive Group USA reached \$168,181,000 in the second quarter compared to \$158,813,000 in the second quarter of 2007. The acquisitions completed in recent quarters contributed \$27,464,000 to the increase in sales of the second quarter; however, this increase was partially compensated by the impact of the variation in the exchange rate. Excluding the negative impact of the exchange rate, sales for the Group would have increased by 12.6%. The operating margin for the Group improved from 6.6% in the second quarter of 2007 to 7.2% this quarter as a result of continued improvement programs on margins and costs combined with the impact of recent acquisitions. For the first six months of 2008, sales were \$318,100,000, an increase of 3.5% compared to the same period last year. The operating margin improved from 6.0% to 6.7% in 2008.

Automotive Group Canada reported an increase in sales of 7.3% in the second quarter of 2008 to reach \$149,504,000 compared to \$139,385,000 in the second quarter of 2007. The acquisitions completed in recent quarters contributed \$13,560,000 to the increase in sales for the quarter. The operating margin of the

Group was 8.7% compared to 9.5% in the second quarter last year. The economic slowdown has had an impact on product demand and contribution to earnings in Canada. For the first six months of 2008, sales were \$268,269,000, an increase of 7.2% compared to the same period last year. The operating margin reached 7.2% in the first six months of the year compared to 7.9% in 2007.

Sales for the Heavy Duty Group decreased 0.8% in the second quarter of 2008 to reach \$14,946,000 compared to \$15,059,000 in 2007. The operating margin of the Group was negative at (3.8%) in the second quarter of 2008 compared to (4.4%) last year, primarily due to the decrease in sales. For the first six months of 2008, sales were \$27,960,000, a decrease of 3.1% compared to the same period last year. The operating margin was negative at (6.0%) a slight improvement compared to (6.3%) in the first six months of 2007.

“Considering the current economic conditions in North America, we are pleased with the general performance of the Company during this quarter” said Mr. Richard G. Roy, President and Chief Executive Officer of Uni-Select. “The recent acquisitions contributed to a large extent to our improved quarterly results. The continued improvement, integration and reorganization programs put in place in 2007 should continue to improve our margins and our profitability during the next six months of 2008. We continue to seek expansion projects in Canada as well as in the United States. The strength of the Canadian dollar compared to the US dollar facilitates this expansion. The weakened demand in North America for automotive parts noted in the first quarter which was likely due to the increase in fuel prices. However, we believe that consumers should adapt to this situation.”

Finally, the Board of Directors of Uni-Select Inc. declared a quarterly dividend of \$0.1075 per common share payable on October 21, 2008 to shareholders of record as at September 30, 2008.

Uni-Select is Canada’s second largest distributor of automotive replacement parts, equipment, tools and accessories and, through Uni-Select USA, Inc., the Company also provides services to customers in the United States where it is the 7th largest distributor. Its subsidiary, Palmar Inc., sells replacement parts, tools and accessories for heavy-duty vehicles and wheels in Canada. The Uni-Select Network includes over 2,000 independent jobbers and services over 3,100 points of sale in North America. Uni-Select is headquartered in Montreal. Uni-Select shares (UNS) are traded on the TMX.

Certain statements made in this press release contain forward-looking statements which, by their very nature, include risks and uncertainties, such that actual results could differ from those indicated in those forward-looking statements. For additional information with respect to the risks and uncertainties, refer to the Annual Report filed by Uni-Select and available on SEDAR. Unless required to do so pursuant to applicable securities legislation, Uni-Select assumes no obligation as to the updating or revision of the forward-looking statements as a result of new information, future events or other changes.

CONSOLIDATED EARNINGS
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007

(in thousands of dollars, except earnings per share, unaudited)

	2 nd QUARTER		6 MONTHS	
	2008	2007	2008	2007
	\$	\$	\$	\$
SALES	332 631	313 257	614 329	586 422
Earnings before the following items	24 452	23 138	38 984	36 540
Interest (Note 4)	1 591	1 618	3 490	2 955
Amortization (Note 4)	2 679	2 364	5 375	4 640
	4 270	3 982	8 865	7 595
Earnings before income taxes and non-controlling interest	20 182	19 156	30 119	28 945
Income taxes				
Current	6 686	7 658	9 488	11 124
Future	(104)	(1 002)	291	(1 120)
	6 582	6 656	9 779	10 004
Earnings before non-controlling interest	13 600	12 500	20 340	18 941
Non-controlling interest	911	825	1 590	1 438
Net earnings	12 689	11 675	18 750	17 503
Basic earnings and diluted earnings per share (Note 5)	0,64	0,59	0,95	0,89
Number of issued and outstanding shares	19 727 958	19 736 558	19 727 958	19 736 558

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

**CONSOLIDATED RETAINED EARNINGS
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007**

(in thousands of dollars, unaudited)

	6 MONTHS	
	2008	2007
	\$	\$
Balance, beginning of period	287 712	255 355
Net earnings	18 750	17 503
	306 462	272 858
Redemption of common shares ^(a)	176	-
Dividends	4 243	4 239
Balance, end of period	302 043	268 619

^(a) During the period, the Company redeemed 8,600 common shares for a cash consideration of \$197 including a share redemption premium of \$176.

**CONSOLIDATED COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007**

(in thousands of dollars, unaudited)

	2 nd QUARTER		6 MONTHS	
	2008	2007	2008	2007
	\$	\$	\$	\$
Net earnings	12 689	11 675	18 750	17 503
Other comprehensive income:				
Unrealized gains (losses) on derivative financial instruments designated as cash flow hedges, net of income taxes of (\$653) and \$6 for the three-month and the six-month periods respectively	1 401	-	(13)	-
Reclassification of realized gains (losses) to net earnings on derivative financial instruments designated as cash flow hedges, net of income taxes of (\$46) and (\$67) for the three-month and the six-month periods respectively (\$22 and \$42 in 2007)	99	(46)	145	(89)
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	(1 261)	(9 202)	4 569	(10 439)
Other comprehensive income	239	(9 248)	4 701	(10 528)
Comprehensive income	12 928	2 427	23 451	6 975

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

CONSOLIDATED CASH FLOWS
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007

(in thousands of dollars, except dividends paid per share, unaudited)

	2 nd QUARTER		6 MONTHS	
	2008	2007	2008	2007
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings	12 689	11 675	18 750	17 503
Non-cash items				
Amortization	2 679	2 364	5 375	4 640
Amortization of deferred gain on a sale-leaseback arrangement	(54)	(52)	(108)	(65)
Future income taxes	(104)	(1 002)	291	(1 120)
Non-controlling interest	911	825	1 590	1 438
	16 121	13 810	25 898	22 396
Changes in working capital items	12 839	21 475	2 917	75
CASH FLOWS FROM OPERATING ACTIVITIES	28 960	35 285	28 815	22 471
INVESTING ACTIVITIES				
Temporary investments	-	6 897	-	6 897
Business acquisitions (Note 6)	(11 228)	(12 459)	(29 625)	(16 056)
Non-controlling interest	-	(178)	-	(178)
Investments	(325)	-	(325)	-
Advances to joint ventures	-	-	-	-
Advances to merchant members	(1 324)	(511)	(2 013)	(1 147)
Receipts on advances to merchant members	1 766	902	2 331	1 857
Fixed assets	(3 798)	(2 332)	(6 166)	(3 987)
Disposal of fixed assets	125	2 104	176	7 556
CASH FLOWS FROM INVESTING ACTIVITIES	(14 784)	(5 577)	(35 622)	(5 058)
FINANCING ACTIVITIES				
Bank indebtedness	(25 252)	(27 847)	(1 257)	(13 888)
Balance of purchase price	337	(505)	-	(898)
Financing costs	-	-	(414)	-
Long-term debt	13 617	1 346	13 628	1 818
Repayment of long-term debt	(907)	(778)	(972)	(1 486)
Merchant members' deposits in guarantee fund	167	(25)	161	(314)
Issuance of shares	-	161	-	528
Share redemption	(197)	-	(197)	-
Dividends paid	(2 121)	(2 119)	(4 243)	(4 089)
CASH FLOWS FROM FINANCING ACTIVITIES	(14 356)	(29 767)	6 706	(18 329)
Decrease in cash and cash equivalents	(180)	(59)	(101)	(916)
Cash and cash equivalents, beginning of period	678	273	599	1 130
Cash and cash equivalents, end of period	498	214	498	214
Dividends paid per share	0,108	0,108	0,215	0,208

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

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2008 AND 2007 AND DECEMBER 31, 2007

(in thousands of dollars, unaudited)

	JUNE 30, 2008	JUNE 30, 2007	DEC. 31, 2007 Audited
	\$	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	498	214	599
Accounts receivable	170 067	150 245	141 043
Income taxes receivable	8 313	7 475	1 370
Inventory (Note 7)	367 136	298 534	341 545
Prepaid expenses	6 487	4 959	4 959
Derivative financial instrument	-	123	-
Future income taxes	8 756	7 039	8 671
	<u>561 257</u>	<u>468 589</u>	<u>498 187</u>
Investments and volume discounts receivable	7 230	6 951	7 406
Fixed assets	44 187	35 998	41 526
Financing costs	795	660	488
Covenants not to compete	261	438	330
Derivative financial instrument	193	-	-
Goodwill	73 878	45 639	64 858
Future income taxes	2 711	1 685	2 778
	<u>690 512</u>	<u>559 960</u>	<u>615 573</u>
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness (Note 8)	35 611	12 002	35 887
Accounts payable	170 064	148 672	132 660
Dividends payable	2 122	2 120	2 122
Instalments on long-term debt and on merchant members' deposits in guarantee fund	45	146	577
Future income taxes	61	39	-
	<u>207 903</u>	<u>162 979</u>	<u>171 246</u>
Deferred gain on a sale-leaseback arrangement	2 302	2 650	2 338
Long-term debt	107 830	58 062	91 786
Merchant members' deposits in guarantee fund	7 773	7 855	7 294
Future income taxes	3 951	4 856	3 838
Non-controlling interest	37 170	28 188	34 498
	<u>366 929</u>	<u>264 590</u>	<u>311 000</u>
SHAREHOLDERS' EQUITY			
Capital stock	49 850	49 872	49 872
Retained earnings	302 043	268 619	287 712
Accumulated other comprehensive income (Note 9)	(28 310)	(23 121)	(33 011)
	<u>273 733</u>	<u>245 498</u>	<u>254 701</u>
	<u>323 583</u>	<u>295 370</u>	<u>304 573</u>
	<u>690 512</u>	<u>559 960</u>	<u>615 573</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(in thousands of dollars, except for per share amounts, unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and do not include all disclosures required for complete financial statements. They are also consistent with the accounting policies outlined in the audited financial statements of the Company for the year ended December 31, 2007. The interim financial statements and related notes should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2007. When necessary, the financial statements include amounts based on informed estimates and the best judgment of management. The operating results for the interim periods reported are not necessarily indicative of results to be expected for the year.

2. CHANGES IN ACCOUNTING POLICIES
Financial instruments

On January 1, 2008, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of the CICA Handbook included in Section 3862 *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments - Presentation*. Section 3862 describes the required disclosures related to the significance of financial instruments on the financial position and performance of the Company and the nature and extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives.

The adoption of these Sections resulted in the Company presenting additional disclosure regarding risk management arising from financial instruments and a sensitivity analysis regarding interest rate risk. Comparative information about the nature and extent of risks arising from financial instruments is not required in the year those Sections are adopted.

Capital disclosures

On January 1, 2008, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of the CICA Handbook included in Section 1535 *Capital Disclosures*. This Section establishes standards for disclosing information about the capital of the Company and how it is managed to enable users of financial statements to evaluate the objectives, policies and procedures of the Company for managing capital.

Inventories

On January 1, 2008, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of the CICA Handbook included in Section 3031 *Inventories*. This Section provides new guidance on the determination of cost and its subsequent recognition as an expense, including any write-downs to the net realizable value as well as on the cost formulas that are used to assign costs to inventories. The Section also requires additional disclosure.

3. ACCOUNTING POLICIES
Cost of inventory

Cost of inventory recognized as an expense includes cost of goods sold for distribution centres and corporate stores and warehouse expenses, delivery expenses and occupancy costs for distribution centres.

Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

4. INFORMATION INCLUDED IN THE CONSOLIDATED EARNINGS

Interest	2nd QUARTER		6 MONTHS	
	2008	2007	2008	2007
	\$	\$	\$	\$
Interest on bank indebtedness	699	912	1 525	1 386
Interest on long-term debt	964	961	2 078	1 972
Interest on merchant members' deposits in guarantee fund	98	102	182	206
	1 761	1 975	3 785	3 564
Interest income on cash and cash equivalents	(11)	(244)	(21)	(377)
Interest income from merchant members	(159)	(113)	(274)	(232)
	1 591	1 618	3 490	2 955
Amortization				
Amortization of fixed assets	2 586	2 238	5 178	4 366
Amortization of other assets	93	126	197	274
	2 679	2 364	5 375	4 640

5. EARNINGS PER SHARE

Weighted average number of shares for the calculation of basic earnings per share is 19,731,769 for the three-month period ended June 30, 2008 (19,725,562 in 2007) and 19,734,163 for the six-month period ended June 30, 2008 (19,718,736 in 2007). Impact of stock options exercised is 19,568 shares for the three-month period ended June 30, 2008 (33,484 in 2007) and 21,429 for the six-month period ended June 30, 2008 (36,647 in 2007) which total a weighted average number of shares of 19,751,337 for the three-month period ended June 30, 2008 (19,759,046 in 2007) and 19,755,593 for the six-month period ended June 30, 2008 (19,755,383 in 2007) for calculation of diluted earnings per share.

6. BUSINESS ACQUISITIONS

In 2008, the Company acquired the shares of two companies in the Automotive Canada segment as well as the assets and a portion of the liabilities of one company operating in the Automotive Canada segment and three companies in the Automotive USA segment.

In addition, the Company increased its interest by 3.85% in its joint venture, Uni-Select Pacific Inc. Following this transaction, the Company's interest in the joint venture increased from 65.38% to 69.23%. This transaction was carried out at the carrying amount.

The operating results are consolidated in the statement of earnings since the acquisition date.

The preliminary purchase price is allocated as follows:

	Total
	\$
Current assets	35 108
Fixed assets	1 344
Other long-term assets	22
Goodwill	7 940
Current liabilities	(11 836)
Long-term liabilities	(48)
	<u>32 530</u>
Cash of companies acquired	249
Total consideration paid less cash acquired	<u>29 625</u>
Balance of purchase price payable	<u>2 656</u>

7. INVENTORY

Cost of inventory recognized as an expense for the three-month period ended June 30, 2008 is \$255,692 (\$244,772 in 2007) and \$474,129 for the six-month period ended June 30, 2008 (\$459,880 in 2007).

For the three-month and six-month periods ended June 30, 2008 and 2007, net earnings were not affected by write-downs of inventories.

8. CREDIT FACILITY

The Company has a credit facility in the amount of \$325,000. This credit facility is composed of a \$235,000 revolving credit expiring in October 2011 and, thereafter, renewable annually for additional one-year periods as well as a \$90,000 operating credit which is also used for the issuance of letters of guarantee and is renewable annually. As at June 30, 2008, the issued letters of guarantee totalled \$5,320 (\$5,010 as at December 31, 2007).

The interest rates vary according to the type of loan and the financial ratios achieved by the Company and are set each quarter. As at June 30, 2008, interest rates vary between 3.39% and 5.50% (5.35% and 7.75% as at December 31, 2007).

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

	JUNE 30, 2008	DEC. 31, 2007
	\$	\$
Balance, beginning of period	(33 011)	-
Balance, as previously reported	-	(12 766)
Cumulative impact of accounting changes relating to financial instruments (net of income taxes of \$81)	-	173
Balance, as restated	(33 011)	(12 593)
Other comprehensive income for the period	4 701	(20 418)
Balance, end of period	(28 310)	(33 011)

10. EMPLOYEE FUTURE BENEFITS

As at June 30, 2008, the Company's pension plans are defined benefit and contribution plans.

For the three-month period ended June 30, 2008, the total expense for the defined contribution pension plans was \$260 (\$520 in 2007) and \$601 (\$602 in 2007) for the defined benefit pension plans.

For the six-month period ended June 30, 2008, the total expense for the defined contribution pension plans was \$517 (\$911 in 2007) and \$1,201 (\$1,205 in 2007) for the defined benefit pension plans.

11. GUARANTEES

As per inventory repurchase agreements, the Company has made a commitment to financial institutions to repurchase inventories from some of its customers at a rate of 60% to 75% of the value of inventories for a maximum amount of \$63,580 (\$61,870 as at December 31, 2007). In the event of proceedings, the inventories would be liquidated in the normal course of the Company's operations. These agreements are for an undetermined period of time. In management's opinion, the likelihood of major payments being made and losses being absorbed is low, since the value of the assets held in guarantee is significantly higher than the Company's commitments.

12. CAPITAL MANAGEMENT

Guided by its low-asset-base-high-utilization philosophy, the Company's objectives when managing capital are:

- Maintain a maximum total net debt / invested capital ratio of 40% to 45%;
- Grant shareholders a growth of the value of their shares by maintaining a return on shareholders' equity of 15% on a long-term basis and paying an annual dividend representing about 20% of the net earnings of the previous year;
- Maintain a maximum funded debt / EBITDA ratio of 3.0 to 3.5.

In the management of capital, the Company includes shareholders' equity, long-term debt, merchant members deposits in guarantee funds and bank indebtedness net of cash and cash equivalents and temporary investment.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company has several tools, notably a share repurchase-for-cancellation program pursuant to normal course issuer bids and a flexible credit facility allowing it to react quickly to business opportunities. Also, the Company constantly analyzes working capital levels, notably inventory, to ensure that the optimal level is maintained and regularly adjusts quantity to satisfy demand as well as the level of diversification required by customers.

The Company monitors capital on a number of bases, including: total net debt / invested capital ratio, long-term debt / equity ratio, funded debt / EBITDA ratio and return on shareholders' equity ratio.

For the first six months of 2008, the results of the Company regarding its objectives when managing capital are the following:

	JUNE 30, 2008	DEC. 31, 2007
Total net debt / invested capital ratio ⁽²⁾⁽³⁾	31,8%	30,7%
Long-term debt / equity ratio ⁽²⁾⁽³⁾	35,7%	32,7%
Funded debt / EBITDA ratio ⁽¹⁾⁽²⁾⁽³⁾	1,90	1,76
Return on shareholders' equity ratio ⁽¹⁾⁽³⁾	13,6%	13,9%

⁽¹⁾ These ratios are calculated over the last 12 months.

⁽²⁾ Increase in debt ratios comes directly from the increase of long-term debt due to the acquisitions in the last quarters.

⁽³⁾ Notably, acquisitions in the last quarters did not contribute to the results of the last 12-month period ended June 30, 2008 proportionally to the increase in long-term debt.

Regarding the credit facility, the Company is required to comply with certain financial ratios which it has done as at June 30, 2008 and December 31, 2007.

13. FINANCIAL INSTRUMENTS
Classification of financial instruments, carrying amount and fair value

Classification of financial instruments as well as their carrying amount and fair value at June 30, 2008 are summarized in the following table:

					Carrying amount	Fair value
	Derivative financial instruments	Held-for-trading	Loans and receivables ⁽¹⁾	Other financial liabilities	Total	
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	-	498	-	-	498	498
Accounts receivable	-	-	170 067	-	170 067	170 067
Investments and volume discounts receivable	-	-	7 230	-	7 230	7 230
Derivative financial instrument	193	-	-	-	193	193
	193	498	177 297	-	177 988	177 988
Financial Liabilities						
Bank indebtedness	-	-	-	35 611	35 611	35 611
Accounts payable	-	-	-	170 064	170 064	170 064
Dividends payable	-	-	-	2 122	2 122	2 122
Long-term debt	-	-	-	107 875	107 875	107 875
Merchant members' deposits in guarantee fund	-	-	-	7 773	7 773	7 773
	-	-	-	323 445	323 445	323 445

⁽¹⁾ Interest income on loans and receivables for the three-month period ended June 30, 2008 represents \$324 (\$286 in 2007) and \$638 for the six-month period ended June 30, 2008 (\$615 in 2007).

13. FINANCIAL INSTRUMENTS (Continued)

The fair value of accounts receivable, volume discounts receivable, bank indebtedness, accounts payable and dividends payable approximates their carrying amount given the short-term nature of the instruments.

The fair value of investments, long-term debt and merchant members' deposits in guarantee fund is equivalent to their carrying amount since they substantially bear interest at a rate that fluctuates with changes in the prevailing rate.

Derivative financial instruments

During the first quarter of 2008, the Company entered into agreements to swap variable interest rates for a nominal amount of \$60,000 for fixed rates (\$0 at fixed rates against variable rates at December 31, 2007). The swap agreements, at a rate of 3.94%, expire in three equal portions of \$20,000 on January 2011, 2012 and 2013. The fair value of the interest rate swaps is calculated using quotes for similar instruments on the balance sheet date obtained by the Company's financial institution and represents an amount receivable by the Company of \$193 (\$0 at December 31, 2007).

Management of risks arising from financial instruments

In the normal course of business, the Company has market exposure primarily consisting of credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Company manages these risk exposures on an ongoing basis. In order to limit the effects of changes in interest rates on its revenues, expenses and cash flows, the Company avails itself of derivative financial instruments.

Credit risk

Credit risk stems primarily from the potential inability of clients to discharge their obligations. The maximum credit risk to which the Company is exposed as at June 30, 2008 represents the carrying amount of accounts receivable and investments and volume discounts receivable.

No account represents more than 10% of total accounts receivable. In order to manage its risk, specific credit limits are determined for certain accounts and reviewed regularly by the Company. Also, the Company holds in guarantee personal property as well as assets of certain customers and those customers are required to contribute to a fund to guarantee a portion of their amounts due to the Company, being the merchant members deposits in guarantee funds. Finally, customers' financial health is examined regularly and monthly analysis are presented to management to ensure that past due amounts are collectible and, if necessary, that measures are taken to limit credit risk. Historically, the Company has never made any significant write-off of its accounts receivable as proven by the average bad debt on sales rate of 0.1% for the last three years.

As at June 30, 2008, past-due accounts receivable represent \$5,359 and an allowance for doubtful accounts of \$3,840 is provided.

Allowance for doubtful accounts and accounts receivable are reviewed at least quarterly and a bad-debt expense is recognized only for accounts receivable for which collection is uncertain.

	\$
Balance at December 31, 2007	2 924
Bad-debt expense	1 460
Write-off	(544)
Balance at June 30, 2008	3 840

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations on time or at a reasonable cost. The Company manages its liquidity risk on a consolidated basis by using financing sources to maintain its maneuverability, taking into account its operating needs, tax situation and capital requirements. The Company prepares budget cash forecasts to ensure that it has sufficient funds to meet its obligations.

The Company has a renewable credit facility in the amount of \$325,000 (Note 8). As at June 30, 2008, the Company benefits from an unused credit facility of approximately \$175,000.

Because of cash flows generated by operations and financial resources available, management believes that the liquidity risk is minimal.

Foreign exchange risk

The Company is exposed to foreign exchange risk due to cash held in currency other than that of the reporting entity and due to merchandise and equipment purchased in U.S. dollars. Management considers that fluctuations in the U.S. dollar versus the Canadian dollar will have a minimal impact on net earnings.

Interest rate risk

The Company is exposed to interest rate fluctuations, primarily due to its variable rate debts. The Company manages its interest rate exposure by maintaining an adequate balance of fixed versus variable rate debt by concluding swap agreements to exchange variable rates for fixed rates. As at June 30, 2008, the fixed rate portion of financial debt represents 43% of the total, while the variable rate portion represents 57%.

A 25 basis points rise or fall in interest rates, assuming that all other variables remain the same, would have resulted in a \$37 decrease or increase, respectively, in the Company's net earnings for the three-month period ended June 30, 2008 and \$85 for the six-month period, whereas other comprehensive income would have resulted in a \$329 increase or decrease, respectively for both the three-month and six-month periods.

14. SEGMENTED INFORMATION

	2 nd QUARTER							
	Automotive Canada		Automotive USA		Heavy Duty		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Sales	149 504	139 385	168 181	158 813	14 946	15 059	332 631	313 257
Earnings before interests, amortization, income taxes and non-controlling interest	12 980	13 269	12 037	10 526	(565)	(657)	24 452	23 138
Assets	264 143	229 451	391 102	295 460	35 267	35 049	690 512	559 960
Acquisition of fixed assets	2 087	1 505	2 536	1 284	61	53	4 684	2 842
Acquisition of goodwill	552	1 078	199	1 157	-	-	751	2 235

	6 MONTHS							
	Automotive Canada		Automotive USA		Heavy Duty		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Sales	268 269	250 217	318 100	307 351	27 960	28 854	614 329	586 422
Earnings before interest, amortization, income taxes and non-controlling interest	19 448	19 887	21 214	18 458	(1 678)	(1 805)	38 984	36 540
Assets	264 143	229 451	391 102	295 460	35 267	35 049	690 512	559 960
Acquisition of fixed assets	3 403	1 928	4 025	2 762	82	59	7 510	4 749
Acquisition of goodwill	7 648	1 506	292	1 596	-	-	7 940	3 102

The Automotive USA segment includes fixed assets for an amount of \$18,541 (\$12,574 as at June 30, 2007) and goodwill for an amount of \$36,081 (\$17,784 as at June 30, 2007).

15. FUTURE ACCOUNTING STANDARDS
International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") established by the International Accounting Standards Board will be required for fiscal years beginning January 1st, 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises.

The Company is currently establishing a convergence plan and evaluating the impact of the adoption of IFRS on its consolidated financial statements.

Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064 *Goodwill and intangible assets* in replacement of Section 3062 *Goodwill and other intangible assets*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. This new standard is applicable to fiscal years beginning on or after October 1st, 2008. The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition. The Company will implement this standard in its first quarter of fiscal year 2009 and is currently evaluating the impact of its adoption on its consolidated financial statements.