

## Uni-Select reports second quarter financial results for 2016

- **\$323.8 million in sales, up 14.6% in total (excluding divestitures);**
- **EBITDA margin<sup>(1) (2)</sup> of 9.2%;**
- **Net earnings<sup>(2)</sup> of \$16.8 million;**
- **EPS<sup>(2)</sup> of \$0.40;**
- **5 business acquisitions completed in Q2, adding 18 stores to growing network.**

*Unless otherwise indicated in this press release, all amounts are expressed in US dollars.*

**Boucherville (Québec), July 27, 2016** – Uni-Select Inc. (TSX:UNS), a leader in the distribution of automotive refinish and industrial paint and related products across North America, as well as in the automotive aftermarket parts business in Canada, today reported its financial results for the second quarter ended June 30, 2016.

“We made good progress in Q2 on the earnings and acquisition fronts. The organic growth for the quarter was less than anticipated, but the outlook remains positive for the balance of the year.” said Henry Buckley, President and Chief Executive Officer of Uni-Select. “Our teams are doing a terrific job utilizing our standardized processes to successfully integrate our acquisitions and drive sustainable growth to achieve our goals. We welcome all our new team members to the Uni-Select family.”

*(The 2016 results in dollars vary compared to last year’s figures, since the second quarter and the six-month period of 2015 included respectively two and five months of operations from the net assets of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc., sold on June 1, 2015 (“sale of the net assets”).)*

**For further information about the Corporation’s use of the non-IFRS measures identified in this press release, refer to “Non-IFRS financial measures” and “Reconciliation of non-IFRS measures” sections.**

*(In thousands of US dollars, except per share amounts and percentages)*

	SECOND QUARTER		SIX-MONTH PERIOD	
	2016	2015	2016	2015
Sales	323,758	408,299	587,788	819,984
EBITDA <sup>(1)</sup>	29,739	19,035	51,442	(103,230)
Adjusted EBITDA <sup>(1)</sup>	29,739	31,051	51,442	50,542
Adjusted EBITDA margin <sup>(1)</sup>	9.2%	7.6%	8.8%	6.2%
Net earnings (loss)	16,806	12,373	28,289	(69,909)
Adjusted earnings <sup>(1)</sup>	16,806	19,954	28,289	29,987
Earnings (loss) per share <sup>(3)</sup>	0.40	0.29	0.66	(1.64)
Adjusted earnings per share <sup>(1) (3)</sup>	0.40	0.47	0.66	0.70

<sup>1</sup> Non-IFRS financial measures. Refer to the “Non-IFRS financial measures” and the “Reconciliation of non-IFRS measures” sections for further details.

<sup>2</sup> No adjustment to EBITDA, net earnings and EPS in the current quarter.

<sup>3</sup> 2-for-1 stock split of common shares was effected on May 11, 2016 for shareholders of record as at May 6, 2016. To reflect the effect of the stock split, information pertaining to the number of common shares has been retroactively restated.

## SECOND QUARTER RESULTS

*(All percentage increases and decreases represent year-over-year changes for the second quarter of 2016 compared to the second quarter of 2015, unless otherwise noted.)*

Consolidated sales for the second quarter were \$323.8 million, a 20.7% decrease, mainly due to the sale of the net assets in 2015. Excluding sales from the net assets sold, consolidated sales grew 14.6% compared to the same period last year. Additional sales from recent business acquisitions combined with the effect of an additional billing day in Canada, and organic growth exceeded the impact of the declining Canadian dollar on its conversion to US dollar, which alone penalized sales by \$5.7 million or 2.0%.

On an organic basis, consolidated sales grew by 0.1%, supported by the net customer recruitment and existing customer growth in the Paint and related products segment, which was offset by the Automotive products segment performance, mainly explained by the ongoing economic conditions prevailing in the Prairies.

The Corporation generated an EBITDA and an adjusted EBITDA of \$29.7 million for the second quarter of 2016, compared to an EBITDA of \$19.0 million and adjusted EBITDA of \$31.1 million last year. The EBITDA margin and adjusted EBITDA margin grew to 9.2%, up 160 points when compared to the adjusted EBITDA margin of 2015. Adjusted EBITDA margin enhancement was driven by the sale of net assets bearing a lower margin compared to the ongoing operations, as well as by a combination of accretive business acquisitions and ongoing buying conditions improvement in the Paint and related products segment. These factors were partially offset by negative synergies following the sale of net assets, acquisition and integration related costs as well as stock-based compensation expenses.

Net earnings were \$16.8 million compared to \$12.4 million and to adjusted earnings of \$20.0 million last year. Earnings per share and adjusted earnings per share were \$0.40 compared to \$0.29 and \$0.47 respectively in 2015.

### Segmented Results

The Paint and related products segment recorded sales of \$196.5 million, up 26.5% from 2015, or up 2.1% organically, primarily from existing customer growth coupled with new customer recruitment. The segment EBITDA margin and adjusted EBITDA margin were 12.4%, down 20 points from last year's adjusted EBITDA margin. Accretive business acquisitions and improved buying conditions were mainly offset by acquisition and integration costs related to the recent business acquisitions that are temporarily affecting EBITDA until integrations and synergies are completed.

Sales for the Automotive products segment were \$127.3 million, from \$252.9 million in the prior year. Excluding the impact on sales related to the net assets sold, sales increased by 0.2% compared to 2015. Organic growth and sales from recent business acquisitions combined with the effect of an additional billing day exceeded the weaker Canadian dollar which had an impact, on conversion to US dollar, of \$5.7 million on sales or 4.5%. Segment organic sales decreased by 2.3% in the second quarter due to performance mainly from the difficult economic conditions prevailing in the oil and gas industry in the Prairies. EBITDA and adjusted EBITDA for the Automotive products segment amounted to \$8.9 million in the second quarter, compared to EBITDA of \$4.0 million and adjusted EBITDA of \$14.0 million last year. The adjusted EBITDA margin reached 7.0%, a 140 points increase from 5.6% in 2015, attributable to the weaker performance from the operations that were sold on June 1, 2015 and to accretive business acquisitions.

## SIX-MONTH PERIOD RESULTS

*(All percentage increases and decreases represent year-over-year changes for the second quarter of 2016 compared to the second quarter of 2015, unless otherwise noted.)*

Consolidated sales for the six-month period were \$587.8 million, a 28.3% decrease, mainly due to the sale of the net assets in 2015. Excluding sales from the net assets sold, consolidated sales grew 12.9% compared to the same period last year. Sales from recent business acquisitions combined with organic growth, and the effect of an additional billing day exceeded the impact of the declining Canadian dollar on its conversion to US dollar, which alone penalized sales by \$14.3 million or 2.7%.

On an organic basis, consolidated sales grew by 1.5%, supported by the net customer recruitment and existing customer growth in the Paint and related products segment, which was offset by the Automotive products segment performance mainly explained by the ongoing difficult economic conditions prevailing in the Prairies.

The Corporation generated an EBITDA and an adjusted EBITDA of \$51.4 million for the six-month period of 2016, compared to a negative EBITDA of \$103.2 million and adjusted EBITDA of \$50.5 million last year. The EBITDA margin and adjusted EBITDA margin grew to 8.8%, up 260 points when compared to the adjusted EBITDA margin of 2015. That enhancement was driven by the sale of net assets bearing a lower margin compared to the ongoing operations, as well as accretive business acquisitions, improved buying conditions in the Paint and related products segment and lower stock-based compensation expenses in relation to the stock price. These factors were partially offset by negative synergies following the sale of net assets, predominantly related to the enterprise resource planning system and by acquisition and integration costs.

Net earnings grew to \$28.3 million from a net loss of \$69.9 million last year, while adjusted earnings decreased by 5.7%. Earnings per share and adjusted earnings per share both were \$0.66 compared to a loss per share of \$1.64 and adjusted earnings per share of \$0.70 in 2015.

### Segmented Results

The Paint and related products segment recorded sales of \$369.9 million, up 22.0% from 2015, or up 3.1% organically, namely as a result of the existing customer growth and net customer recruitment. The segment EBITDA margin reached 12.2%, up 40 points from last year. This performance is notably attributable to improved buying conditions and accretive business acquisitions, partially offset by acquisition and integration costs related to the recent business acquisitions that are temporarily affecting EBITDA until integrations and synergies are completed.

Sales for the Automotive products segment were \$217.9 million, from \$516.8 million in the prior year. Excluding the impact on sales related to the net assets sold, sales increased by 0.2% compared to 2015. Sales from recent business acquisitions combined with the effect of an additional billing day exceeded the weaker Canadian dollar which had an impact, on its conversion to US dollar, of \$14.3 million on sales or 6.6%. Segment organic sales decreased by 0.7% in the six-month period due to performance mainly explained by the ongoing difficult economic conditions prevailing in the oil and gas industry in the Prairies. EBITDA and adjusted EBITDA for the Automotive products segment amounted to \$13.5 million for the six-month period, compared to a negative EBITDA of \$126.1 million and adjusted EBITDA of \$20.7 million last year. The adjusted EBITDA margin reached 6.2%, a 220 points increase from 4.0% in 2015, a performance attributable to the weaker performance from the operations sold on June 1, 2015 and to accretive business acquisitions.

## **DIVIDENDS**

On July 27, 2016, the Uni-Select Board of Directors declared a dividend of C\$0.085 per share payable on October 18, 2016 to shareholders of record on September 30, 2016. This dividend is an eligible dividend for tax purposes.

## **CONFERENCE CALL**

Uni-Select will host a conference call to discuss its second quarter and six-month period results for 2016 on July 28, 2016 at 8 AM (EDT). To join the conference, dial 1 866 696-5910 followed by 2686549.

A recording of the conference call will be available from 10 AM (EDT) on July 28, 2016 until 11:59 PM (EDT) on August 8, 2016. To access the replay, dial 1 800 408-3053 followed by 2596890.

## **ABOUT UNI-SELECT**

Uni-Select is a leader in the distribution of automotive refinish and industrial paint and related products across North America, as well as in the automotive aftermarket parts business in Canada. Its over 3,000 team members, spread across a network of 13 distribution centres and over 255 corporate stores, are dedicated to supplying its customers the right products, at the right place, and when they need them. Uni-Select also offers advanced solutions and first-rate service to enable its customers' success. In the United States, FinishMaster, Inc., a subsidiary of Uni-Select, operates a network of automotive refinish corporate stores from coast to coast under the FinishMaster banner and supports more than 6,000 collision repair centre customers. Uni-Select's Canadian automotive aftermarket parts and automotive refinish business supports a growing national network of more than 1,150 independent customers and corporate stores, several of which operate under Uni-Select store banner programs including Auto Parts Plus®, Auto Plus® and Bumper to Bumper®. In Canada, Uni-Select supports over 3,900 shops and stores through its automotive repair/installer shop banners Auto Select®, Uni-Pro®, and SAX (Select Auto Xpert), as well as through its automotive refinish banner, Carrossier ProColor®. Uni-Select is headquartered in Boucherville, Québec, Canada, and its shares are traded on the Toronto Stock Exchange (TSX) under the symbol UNS.

## **FORWARD-LOOKING INFORMATION**

The information provided in this press release may include some forward-looking information, which could include certain risks and uncertainties, which may cause the final results to be significantly different from those listed or implied within this news release. For additional information with respect to risks and uncertainties, refer to the Annual Report filed by Uni-Select with the Canadian securities commissions. The forward-looking information contained herein is made as of the date of this press release, and Uni-Select does not undertake to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

## **ADDITIONAL INFORMATION**

The Management's Discussion and Analysis (MD&A), interim consolidated financial statements and related notes for the second quarter and six-month period of 2016 are available in the "Investors" section on the Corporation's website at [uniselect.com](http://uniselect.com) as well as on SEDAR at [sedar.com](http://sedar.com). The Corporation's Annual Report may also be found on these websites as well as other information related to Uni-Select, including its Annual Information Form.

- 30 -

## **CONTACT INFORMATION**

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## NON-IFRS FINANCIAL MEASURES

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The information included in this press release contains certain measures that are inconsistent with IFRS. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other entities.

**Organic growth** – This measure consists of quantifying the increase in pro forma consolidated sales between two given periods, excluding the impact of acquisitions, sales and disposals of stores, net assets sold, exchange-rate fluctuations and when necessary, the variance in the number of billing days. This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. Determining the rate of organic growth, based on findings that Management regards as reasonable, may differ from the actual rate of organic growth.

**EBITDA** – This measure represents net earnings excluding finance costs, depreciation and amortization, equity income and income taxes. This measure is a financial indicator of a corporation's ability to service and incur debt. It should not be considered by an investor as an alternative to sales or net earnings, as an indicator of operating performance or cash flows, or as a measure of liquidity, but as additional information.

**Adjusted EBITDA, adjusted earnings and adjusted earnings per share** – Management uses adjusted EBITDA, adjusted earnings and adjusted earnings per share to assess EBITDA, net earnings and net earnings per share from operating activities, excluding certain adjustments, net of income taxes (for adjusted earnings and adjusted earnings per share), which may affect the comparability of the Corporation's financial results. Management considers that these measures are more representative of the Corporation's operational performance and more appropriate in providing additional information. These adjustments include, among other things, restructuring and other charges, impairment and transaction charges related to the sale of net assets and costs related to the closure and disposal of stores. The exclusion of these items does not indicate that they are non-recurring.

**EBITDA margin and adjusted EBITDA margin** – The EBITDA margin is a percentage corresponding to the ratio of the EBITDA to sales. The adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.

**Total net debt** – This measure consists of long-term debt, including the portion due within a year, net of cash.

## RECONCILIATION OF NON-IFRS MEASURES

The following table presents a reconciliation of organic growth.

	Second quarter		Six-month period	
	2016	2015	2016	2015
<i>United States</i>	196,477	281,227	369,890	602,480
<i>Canada</i>	127,281	127,072	217,898	217,504
<b>Sales</b>	<b>323,758</b>	408,299	<b>587,788</b>	819,984
Sales from net assets sold	-	(125,873)	-	(299,267)
<b>Sales net of sales from net assets sold</b>	<b>323,758</b>	282,426	<b>587,788</b>	520,717
		%		%
<b>Sales variance</b>	<b>41,332</b>	<b>14.6</b>	<b>67,071</b>	<b>12.9</b>
Effect of declining Canadian dollar	5,692	2.0	14,272	2.7
Number of billing days	(2,044)	(0.7)	(4,812)	(0.9)
Impact of net assets sold <sup>(1)</sup>	1,177	0.4	944	0.2
Acquisitions and others	(45,822)	(16.2)	(69,679)	(13.4)
<b>Consolidated organic growth</b>	<b>335</b>	<b>0.1</b>	<b>7,796</b>	<b>1.5</b>

<sup>(1)</sup> Represents sales variance from customers belonging to net assets sold that was eliminated for consolidation purposes before June 1, 2015.

The following table presents a reconciliation of EBITDA and adjusted EBITDA.

	Second quarter			Six-month period		
	2016	2015	%	2016	2015	%
<b>Net earnings (loss)</b>	<b>16,806</b>	12,373		<b>28,289</b>	(69,909)	
Income tax expense (recovery)	7,608	1,381		14,497	(44,730)	
Equity loss (income)	-	15		-	(110)	
Depreciation and amortization	3,788	2,879		6,622	6,861	
Finance costs, net	1,537	2,387		2,034	4,658	
<b>EBITDA</b>	<b>29,739</b>	19,035		<b>51,442</b>	(103,230)	
Restructuring and other charges	-	(1,730)		-	3,296	
Impairment and transaction charges related to the sale of net assets	-	13,544		-	147,546	
Expenses related to the network optimization and to the closure and disposal of stores <sup>(1)</sup>	-	202		-	2,930	
<b>Adjusted EBITDA</b>	<b>29,739</b>	31,051	(4.2)	<b>51,442</b>	50,542	1.8
<i>Adjusted EBITDA margin</i>	<b>9.2%</b>	7.6%		<b>8.8%</b>	6.2%	

<sup>(1)</sup> Consist primarily of handling and freight expenses required to relocate inventory.

## RECONCILIATION OF NON-IFRS MEASURES (CONTINUED)

The following table presents a reconciliation of adjusted earnings and adjusted earnings per share.

	Second quarter			Six-month period		
	2016	2015	%	2016	2015	%
Net earnings (loss) attributable to shareholders, as reported	16,806	12,373		28,289	(69,909)	
Restructuring and other charges, net of taxes	-	(1,109)		-	2,559	
Impairment and transaction charges related to the sale of net assets, net of taxes	-	8,911		-	95,587	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	(221)		-	1,750	
<b>Adjusted earnings</b>	<b>16,806</b>	<b>19,954</b>	<b>(15.8)</b>	<b>28,289</b>	<b>29,987</b>	<b>(5.7)</b>
Net earnings (loss) per share attributable to shareholders, as reported	0.40	0.29		0.66	(1.64)	
Restructuring and other charges, net of taxes	-	(0.03)		-	0.06	
Impairment and transaction charges related to the sale of net assets, net of taxes	-	0.21		-	2.24	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	-		-	0.04	
<b>Adjusted earnings per share</b>	<b>0.40</b>	<b>0.47</b>	<b>(14.9)</b>	<b>0.66</b>	<b>0.70</b>	<b>(5.7)</b>

The effect of the declining Canadian dollar on its conversion to US dollar was \$0.01 on earnings per share for the quarter compared to the same period of 2015, while the effect for the six-month period was \$0.01 compared to the same period last year.

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of US dollars, except per share amounts, unaudited)	Quarter ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
<b>Sales</b>	<b>323,758</b>	408,299	<b>587,788</b>	819,984
Purchases, net of changes in inventories	<b>227,668</b>	285,451	<b>411,634</b>	573,382
Gross margin	<b>96,090</b>	122,848	<b>176,154</b>	246,602
Employee benefits	<b>45,875</b>	62,532	<b>85,584</b>	132,738
Other operating expenses	<b>20,476</b>	29,467	<b>39,128</b>	66,252
Restructuring and other charges	-	(1,730)	-	3,296
Impairment and transaction charges related to the sale of net assets	-	13,544	-	147,546
Earnings (loss) before finance costs, depreciation and amortization, equity income and income taxes	<b>29,739</b>	19,035	<b>51,442</b>	(103,230)
Finance costs, net	<b>1,537</b>	2,387	<b>2,034</b>	4,658
Depreciation and amortization	<b>3,788</b>	2,879	<b>6,622</b>	6,861
Earnings (loss) before equity income and income taxes	<b>24,414</b>	13,769	<b>42,786</b>	(114,749)
Equity income (loss)	-	(15)	-	110
Earnings (loss) before income taxes	<b>24,414</b>	13,754	<b>42,786</b>	(114,639)
Income tax expense (recovery)	<b>7,608</b>	1,381	<b>14,497</b>	(44,730)
<b>Net earnings (loss) attributable to shareholders</b>	<b>16,806</b>	12,373	<b>28,289</b>	(69,909)
<b>Earnings (loss) per share (basic and diluted)</b>	<b>0.40</b>	0.29	<b>0.66</b>	(1.64)
<b>Weighted average number of common shares outstanding (in thousands)</b>				
Basic	<b>42,277</b>	42,651	<b>42,647</b>	42,545
Diluted	<b>42,541</b>	42,867	<b>42,904</b>	42,545

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Quarter ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
<b>Net earnings (loss)</b>	<b>16,806</b>	12,373	<b>28,289</b>	(69,909)
Other comprehensive income (loss)				
Items that will subsequently be reclassified to net earnings (loss):				
Effective portion of changes in the fair value of cash flow hedges (net of income tax of \$8 and \$29 in 2015 for the quarter and the six-month period)	-	(22)	-	(78)
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to earnings (net of income tax of \$123 and \$167 in 2015 for the quarter and the six-month period)	-	332	-	452
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency	(271)	(761)	<b>12,032</b>	1,755
Unrealized exchange gains (losses) on the translation of debt designated as a hedge of net investments in foreign operations	-	3,889	-	(10,257)
	(271)	3,438	<b>12,032</b>	(8,128)
Items that will not subsequently be reclassified to net earnings (loss):				
Remeasurements of long-term employee benefit obligations (net of income tax of \$750 and \$598 for the quarter and the six-month period (\$834 and \$599 in 2015))	(1,954)	2,256	(1,558)	1,617
Total other comprehensive income (loss)	(2,225)	5,694	<b>10,474</b>	(6,511)
<b>Comprehensive income (loss) attributable to shareholders</b>	<b>14,581</b>	18,067	<b>38,763</b>	(76,420)

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars, unaudited)	Attributable to shareholders					
	Share capital	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
<b>Balance, December 31, 2014</b>	87,238	2,424	1,687	428,497	(6,850)	512,996
Net loss	-	-	-	(69,909)	-	(69,909)
Other comprehensive income (loss)	-	-	-	1,617	(8,128)	(6,511)
Comprehensive loss	-	-	-	(68,292)	(8,128)	(76,420)
Contributions by and distributions to shareholders:						
Issuance of shares	8,546	-	-	-	-	8,546
Convertible debentures redemption	-	-	(1,687)	1,687	-	-
Dividends	-	-	-	(5,343)	-	(5,343)
Stock-based compensation	-	667	-	-	-	667
	8,546	667	(1,687)	(3,656)	-	3,870
<b>Balance, June 30, 2015</b>	95,784	3,091	-	356,549	(14,978)	440,446
<b>Balance, December 31, 2015</b>	97,864	3,588	-	371,997	(36,471)	436,978
Net earnings	-	-	-	28,289	-	28,289
Other comprehensive income (loss)	-	-	-	(1,558)	12,032	10,474
Comprehensive income	-	-	-	26,731	12,032	38,763
Contributions by and distributions to shareholders:						
Repurchase of shares	(1,997)	-	-	(19,684)	-	(21,681)
Issuance of shares	1,090	-	-	-	-	1,090
Dividends	-	-	-	(5,325)	-	(5,325)
Stock-based compensation	-	405	-	-	-	405
	(907)	405	-	(25,009)	-	(25,511)
<b>Balance, June 30, 2016</b>	96,957	3,993	-	373,719	(24,439)	450,230

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Quarter		Six-month period	
	ended June 30,		ended June 30,	
	2016	2015	2016	2015
<b>OPERATING ACTIVITIES</b>				
Net earnings (loss)	16,806	12,373	28,289	(69,909)
Non-cash items:				
Restructuring and other charges	-	(1,730)	-	3,296
Impairment and transaction charges related to the sale of net assets	-	13,544	-	147,546
Finance costs, net	1,537	2,387	2,034	4,658
Depreciation and amortization	3,788	2,879	6,622	6,861
Income tax expense (recovery)	7,608	1,381	14,497	(44,730)
Amortization of incentives granted to customers	3,486	2,818	6,636	5,757
Other non-cash items	103	1,222	(775)	4,057
Changes in working capital items	5,307	9,162	(23,253)	(26,025)
Interest paid	(1,162)	(1,826)	(1,436)	(4,544)
Income taxes recovery (paid)	666	(2,709)	(2,116)	(7,074)
Cash flows from operating activities	38,139	39,501	30,498	19,893
<b>INVESTING ACTIVITIES</b>				
Business acquisitions	(89,442)	(416)	(140,385)	(10,728)
Net cash proceeds from sale of net assets	-	323,604	-	323,604
Net balance of purchase price	(1,866)	(7)	(2,022)	(282)
Cash held in escrow	(13,641)	-	(14,489)	-
Advances to merchant members and incentives granted to customers	(5,247)	(3,258)	(9,812)	(6,454)
Reimbursement of advances to merchant members	436	988	909	2,109
Dividends received from equity investments	-	-	-	401
Net acquisitions of property and equipment	(1,841)	(4,305)	(3,439)	(9,330)
Acquisitions and development of intangible assets	(1,286)	(1,677)	(1,780)	(2,958)
Cash flows from (used in) investing activities	(112,887)	314,929	(171,018)	296,362
<b>FINANCING ACTIVITIES</b>				
Increase in long-term debt	111,050	11,493	120,733	96,425
Repayment of long-term debt	(22,206)	(294,346)	(33,835)	(295,453)
Convertible debenture redemption	-	-	-	(41,713)
Net increase (decrease) in merchant members' deposits in the guarantee fund	80	119	(303)	48
Repurchase of shares	(8,893)	-	(21,681)	-
Issuance of shares	497	8,447	1,090	8,546
Dividends paid	(2,659)	(2,608)	(5,037)	(5,267)
Cash flows from (used in) financing activities	77,869	(276,895)	60,967	(237,414)
Effects of fluctuations in exchange rates on cash	3	(381)	507	(421)
Net increase (decrease) in cash	3,124	77,154	(79,046)	78,420
Cash, beginning of period	9,262	1,373	91,432	107
Cash, end of period	12,386	78,527	12,386	78,527

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)

June 30, Dec. 31,

2016 2015

### ASSETS

#### Current assets:

Cash	12,386	91,432
Cash held in escrow	18,279	3,790
Trade and other receivables	155,933	123,612
Income taxes receivable	19,684	11,053
Inventory	290,859	269,900
Prepaid expenses	8,347	12,671
<b>Total current assets</b>	<b>505,488</b>	<b>512,458</b>

Investments and advances to merchant members

22,166 14,082

Property and equipment

35,246 30,304

Intangible assets

90,340 65,355

Goodwill

244,862 157,270

Deferred tax assets

34,794 55,681

### TOTAL ASSETS

932,896 835,150

### LIABILITIES

#### Current liabilities:

Trade and other payables	243,240	267,995
Balance of purchase price, net	28,785	6,517
Provision for restructuring and other charges	2,399	3,983
Dividends payable	2,763	2,485
Current portion of long-term debt and merchant members' deposits in the guarantee fund	2,683	2,704
<b>Total current liabilities</b>	<b>279,870</b>	<b>283,684</b>

Long-term employee benefit obligations

20,118 18,033

Long-term debt

176,065 87,722

Merchant members' deposits in the guarantee fund

5,587 5,531

Deferred tax liabilities

1,026 3,202

### TOTAL LIABILITIES

482,666 398,172

### EQUITY

Share capital	96,957	97,864
Contributed surplus	3,993	3,588
Retained earnings	373,719	371,997
Accumulated other comprehensive loss	(24,439)	(36,471)

### TOTAL EQUITY

450,230 436,978

### TOTAL LIABILITIES AND EQUITY

932,896 835,150