

## Uni-Select reports fourth quarter and annual financial results for 2015

- \$259.2 million in sales in Q4, up 2.6% organically;
- Q4 EBITDA margin and adjusted EBITDA margin reach 9.2% and 7.7%, up 2.8 and 1.2 points respectively;
- Q4 net earnings up 22.7% to \$13.9 million, while EPS reaches \$0.65, up 20.4%;
- 2015 net loss of \$40.2 million (or \$1.88 per share), impacted by the sale of the net assets of US parts operations. Adjusted earnings reached \$56.8 million (or \$2.66 per share, up 2.3% or C\$3.41 per share when converted into Canadian dollars, up 18.8%);
- 16 acquisitions completed in 2015; and
- Corporation debt-free on a net cash basis as at December 31, 2015.

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

**Boucherville (Québec), February 10, 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 financial results with increased EBITDA margins for the fourth quarter ended December 31, 2015.

"2015 has been a pivotal year for Uni-Select, namely marked by a different asset profile and the development of a truly customer value-creating sales approach. In this context, I am very pleased that both of our business units have been delivering consistent organic growth throughout the year, while at the same time directly contributing to making Uni-Select a more profitable and increasingly competitive organization", said Henry Buckley, President and Chief Executive Officer of Uni-Select. "As we enter 2016, our objective is to continue to actively pursue our growth objectives through strategic acquisitions and organic growth initiatives aimed at increasing market share across both our business segments."

*The 2015 results in dollars vary compared to last year's figures, since the 2015 twelve-month period includes five months of operations from the net assets of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc., sold on June 1, 2015.*

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

	FOURTH QUARTER		TWELVE-MONTH PERIOD	
	2015	2014	2015	2014
Sales	259,221	427,184	1,355,434	1,784,359
EBITDA	23,970	27,267	(53,322)	105,456
Adjusted EBITDA	20,023	27,866	96,603	111,442
Adjusted EBITDA margin	7.7%	6.5%	7.1%	6.2%
Net earnings (loss)	13,941	11,363	(40,221)	50,125
Adjusted earnings	11,044	13,323	56,839	55,271
Earnings (loss) per share	0.65	0.54	(1.88)	2.36
Adjusted earnings per share	0.52	0.63	2.66	2.60

## **FOURTH QUARTER RESULTS**

*(All percentage increases and decreases represent year-over-year changes for the fourth quarter of 2015 compared to the fourth quarter of 2014, unless otherwise noted.)*

Consolidated sales for the fourth quarter were \$259.2 million, a 39.3% decrease mainly due to the sale of the net assets of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc. Excluding sales from the net assets sold, consolidated sales grew 0.6% compared to the same period last year. Additional sales from recent acquisitions and organic growth exceeded the impact of the declining Canadian dollar, which alone penalized sales by \$17.5 million or 6.8%.

On an organic basis, consolidated sales grew by 2.6%, fuelled namely by the recruitment of new customers in the paint and related products segment combined with the results of the development of a customer-centric strategy in the automotive products segment, as well as by overall pricing increases.

The Corporation generated an EBITDA of \$24.0 million, compared to \$27.3 million last year, while adjusted EBITDA was \$20.0 million compared to \$27.9 million last year. The adjusted EBITDA margin grew to 7.7%, up 1.2 point, driven by the sale of the net assets having a lower margin compared to the remaining operations, as well as by a combination of organic growth across both segments and recently completed accretive acquisitions.

Net earnings grew by 22.7% to \$13.9 million from \$11.4 million last year, while adjusted earnings dropped by 17.1%. Earnings per share and adjusted earnings per share were \$0.65 and \$0.52 respectively compared to \$0.54 and \$0.63 in 2014.

As indicated above, the Corporation's results are presented in US dollars. Once converted to Canadian dollars, adjusted earnings per share were C\$0.69 for the fourth quarter of 2015, down 4.2% compared to C\$0.72 for the same quarter in 2014.

### Segmented Results

Sales for the automotive products segment were \$105.7 million, from \$285.3 million in the prior year. Excluding the impact on sales related to the net assets sold, sales decreased by 8.7% compared to 2014, while the weaker Canadian dollar alone accounted for 15.1% of the decrease for the same period. These results were partly offset by organic growth and sales from recent acquisitions. Segment organic sales grew 2.3% in the fourth quarter, driven by an increased regional focus on customer needs, an enhanced product offering and pricing increases. EBITDA for the automotive products segment decreased to \$13.0 million in the fourth quarter, from \$13.4 million last year, while adjusted EBITDA decreased to \$7.1 million from \$14.0 million in 2014. The EBITDA margin and adjusted EBITDA margin reached 12.3% and 6.7% respectively, up 7.6 and 1.8 points from 4.7% and 4.9% in 2014. The EBITDA margin performance of this segment was attributable to the net assets sold, which had a lower EBITDA margin than the ongoing operations, combined with a favorable distribution and product mix, strategic buying and accretive business acquisitions.

The paint and related products segment recorded sales of \$153.6 million, up 8.2% from 2014, or up 2.8% organically, namely as a result of the recruitment of new customers. The segment EBITDA margin was 10.7%, down 0.9 point from last year. This performance is namely attributable to unexpected employee medical claims and a higher expense level in recently acquired businesses, offsetting the sales leverage of the organic growth.

## **TWELVE-MONTH PERIOD RESULTS**

*(All percentage increases and decreases represent year-over-year changes for the twelve-month period of 2015 compared to the twelve-month period of 2014, unless otherwise noted. The 2015 twelve-month period results include five months of operations from the net assets sold.)*

Consolidated sales for 2015 decreased by 24.0% to \$1,355.4 million, however when excluding the impact of the sales from net assets sold, this represents an increase of 0.3%, a performance explained by the same factors as for the fourth quarter. On an organic basis, sales grew a healthy 2.6% in 2015 but were impacted by the declining Canadian dollar, which alone penalized sales by \$66.5 million or 6.3%.

The Corporation recorded a negative EBITDA of \$53.3 million for 2015, compared to an EBITDA of \$105.5 million last year. This is explained by non-recurring charges of \$150.3 million in impairment and transaction charges in connection with the net assets sold and restructuring charges to rightsize the corporate operations. Adjusted EBITDA for the twelve-month period decreased by 13.3% while the adjusted EBITDA margin increased by 0.9 point, from 6.2% to 7.1%.

The Corporation recorded a net loss of \$40.2 million this year, while adjusted earnings grew 2.8% to \$56.8 million (\$2.66 on a per share basis) from \$55.3 million (\$2.60 on a per share basis) last year.

As indicated above, the Corporation's results are presented in US dollars. Once converted to Canadian dollars, adjusted earnings per share for 2015 amount to C\$3.41 compared to C\$2.87 in 2014, up 18.8%.

### Segmented Results

Prior to their disposal on June 1, 2015, the net assets sold over the course of the first half of the year were included in the automotive products group for segmented reporting.

Accordingly, sales of the automotive products segment were down 39.2% for 2015 to \$736.6 million, or down 8.8% excluding the impact of the net assets sold, mainly related to an impact of 13.9% from the weaker Canadian dollar and partially compensated by organic growth and sales from recent acquisitions. On an organic basis, sales grew 1.8% in 2015. A negative segment EBITDA of \$103.9 million was recorded during the same period, down from \$52.8 million last year, a decline explained by impairment and transaction charges related to the sale of the net assets. Segment adjusted EBITDA decreased 37.2% to \$36.9 million while the adjusted EBITDA margin grew 0.1% as a result of the performance of the operations related to the net assets sold, which had a lower EBITDA margin than the ongoing operations, while the remaining operations improved gross margin with strategic purchases, a favorable distribution and channel mix and accretive business acquisitions.

The paint and related products segment recorded sales of \$618.8 million in 2015, up 7.9%, including a solid 3.3% organic sales growth, a performance mainly driven by the recruitment of new customers. Segment EBITDA reached \$70.0 million, up 13.6% from 2014, while segment adjusted EBITDA reached \$70.4 million, up 14.3%. Segment adjusted EBITDA margin reached 11.4%, up from 10.7% in 2014. This growth is mainly attributable to the sales leverage and accretive business acquisitions as well as strategic products buying.

## **DIVIDENDS**

On February 10, 2016, the Uni-Select Board of Directors declared a dividend of C\$0.16 per share payable on April 19, 2016 to shareholders of record on March 31, 2016. In 2015, the Corporation declared dividends amounting to C\$0.63 per share compared to C\$0.58 in 2014, representing an increase of 8.6%. This dividend is an eligible dividend for tax purposes.

## **CONFERENCE CALL**

Uni-Select will host a conference call to discuss its fourth quarter and yearly results for 2015 on February 11, 2016 at 3 PM (EST). To join the conference, dial 1 866 696-5910 followed by 2686549.

A recording of the conference call will be available from 5 PM (EST) until 11:59 PM (EST) on February 22, 2016. To access the replay, dial 1 800 408-3053 followed by 7308519.

## **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 2,700 team members, spread across a network of 13 distribution centres and over 220 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 support 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), consolidated financial statements and related notes for the year 2015 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.

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## **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. 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, net gains on the purchase of the remaining interests in joint ventures, the non-capitalizable costs related to the development and implementation of the ERP system and costs related to the closure and disposal of stores. The exclusion of these items does not indicate that they are non-recurring.

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

**Free cash flows** – This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: changes in working capital items, equity income, acquisitions of property and equipment and difference between amounts paid for post-employment benefits and current year expenses. Uni-Select considers the free cash flows to be a good indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth in working capital, pay dividends, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. The free cash flows exclude certain variations in working capital items (such as trade and other receivables, inventory and trade and other payables) and other funds generated and used according to the statement of cash flows. Therefore, it should not be considered as an alternative to the consolidated statement of cash flows, or as a measure of liquidity, but as additional information.

**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 EBITDA and adjusted EBITDA.

	Fourth quarter			Twelve-month period		
	2015	2014	%	2015	2014	%
<b>Net earnings (loss)</b>	<b>13,941</b>	11,363		<b>(40,221)</b>	50,125	
Income tax expense (recovery)	<b>5,213</b>	4,131		<b>(32,814)</b>	12,660	
Equity loss (income)	<b>629</b>	(617)		<b>533</b>	(2,346)	
Depreciation and amortization	<b>3,334</b>	8,355		<b>13,174</b>	31,685	
Finance costs, net	<b>853</b>	4,035		<b>6,006</b>	13,332	
<b>EBITDA</b>	<b>23,970</b>	27,267		<b>(53,322)</b>	105,456	
Restructuring and other charges	<b>1,932</b>	(1,931)		<b>5,328</b>	(1,931)	
Impairment and transaction charges related to the sale of net assets	<b>(2,578)</b>	-		<b>144,968</b>	-	
Net gains on the purchase of the remaining interests in joint ventures <sup>(1)</sup>	<b>(3,301)</b>	-		<b>(3,301)</b>	-	
Expenses related to the development and deployment of the enterprise resource planning system (ERP) <sup>(2)</sup>	-	-		-	414	
Expenses related to the network optimization and to the closure and disposal of stores <sup>(3)</sup>	-	2,530		<b>2,930</b>	7,503	
<b>Adjusted EBITDA</b>	<b>20,023</b>	27,866	<i>(28.1)</i>	<b>96,603</b>	111,442	<i>(13.3)</i>
<i>Adjusted EBITDA margin</i>	<b>7.7%</b>	6.5%		<b>7.1%</b>	6.2%	

<sup>(1)</sup> Net gains were generated by revaluating the fair value of non-controlling equity interest in the acquirees that were held immediately before obtaining control.

<sup>(2)</sup> Include costs mainly related to data conversion, employee training and deployment to various sites.

<sup>(3)</sup> Consist primarily of handling and freight expenses required to relocate inventory.

## RECONCILIATION OF NON-IFRS MEASURES

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

	Fourth quarter			Twelve-month period		
	2015	2014	%	2015	2014	%
Net earnings (loss) attributable to shareholders, as reported	13,941	11,363		(40,221)	50,125	
Restructuring and other charges, net of taxes	1,406	(1,154)		4,026	(1,154)	
Impairment and transaction charges related to the sale of net assets, net of taxes	(2,058)	-		93,529	-	
Net gains on the purchase of the remaining interests in joint ventures, net of taxes	(2,245)	-		(2,245)	-	
Expenses related to the development and deployment of the ERP system, net of taxes	-	-		-	247	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	2,539		1,750	5,478	
Expenses related to the redemption of convertible debentures, net of taxes	-	575		-	575	
<b>Adjusted earnings</b>	<b>11,044</b>	<b>13,323</b>	<b>(17.1)</b>	<b>56,839</b>	<b>55,271</b>	<b>2.8</b>
Net earnings (loss) per share attributable to shareholders, as reported	0.65	0.54		(1.88)	2.36	
Restructuring and other charges, net of taxes	0.07	(0.05)		0.19	(0.05)	
Impairment and transaction charges related to the sale of net assets, net of taxes	(0.10)	-		4.37	-	
Net gains on the purchase of the remaining interests in joint ventures, net of taxes	(0.10)	-		(0.10)	-	
Expenses related to the development and deployment of the ERP system, net of taxes	-	-		-	0.01	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	0.11		0.08	0.25	
Expenses related to the redemption of convertible debentures, net of taxes	-	0.03		-	0.03	
<b>Adjusted earnings per share</b>	<b>0.52</b>	<b>0.63</b>	<b>(17.5)</b>	<b>2.66</b>	<b>2.60</b>	<b>2.3</b>

The effect of the declining Canadian dollar was \$0.02 on earnings per share for the quarter compared to the same period of 2014, while the effect for the twelve-month period was \$0.10 compared to the same period last year.

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of US dollars, except per share amounts)	Quarter ended December 31,		Year ended December 31,	
	2015 (unaudited)	2014 (unaudited)	2015 (audited)	2014 (audited)
<b>Sales</b>	<b>259,221</b>	427,184	<b>1,355,434</b>	1,784,359
Purchases, net of changes in inventories	<b>181,689</b>	295,631	<b>952,817</b>	1,250,984
Gross margin	<b>77,532</b>	131,553	<b>402,617</b>	533,375
Employee benefits	<b>42,272</b>	70,690	<b>213,666</b>	283,085
Other operating expenses	<b>11,936</b>	35,527	<b>91,977</b>	146,765
Restructuring and other charges	<b>1,932</b>	(1,931)	<b>5,328</b>	(1,931)
Impairment and transaction charges related to the sale of net assets	<b>(2,578)</b>	-	<b>144,968</b>	-
Earnings (loss) before finance costs, depreciation and amortization, equity income and income taxes	<b>23,970</b>	27,267	<b>(53,322)</b>	105,456
Finance costs, net	<b>853</b>	4,035	<b>6,006</b>	13,332
Depreciation and amortization	<b>3,334</b>	8,355	<b>13,174</b>	31,685
Earnings (loss) before equity income and income taxes	<b>19,783</b>	14,877	<b>(72,502)</b>	60,439
Equity income (loss)	<b>(629)</b>	617	<b>(533)</b>	2,346
Earnings (loss) before income taxes	<b>19,154</b>	15,494	<b>(73,035)</b>	62,785
Income tax expense (recovery)				
Current	<b>12,834</b>	6,632	<b>12,235</b>	16,521
Deferred	<b>(7,621)</b>	(2,501)	<b>(45,049)</b>	(3,861)
	<b>5,213</b>	4,131	<b>(32,814)</b>	12,660
<b>Net earnings (loss) attributable to shareholders</b>	<b>13,941</b>	11,363	<b>(40,221)</b>	50,125
<b>Earnings (loss) per share</b>				
Basic	<b>0.65</b>	0.54	<b>(1.88)</b>	2.36
Diluted	<b>0.65</b>	0.53	<b>(1.88)</b>	2.35
<b>Weighted average number of common shares outstanding (in thousands)</b>				
Basic	<b>21,436</b>	21,231	<b>21,389</b>	21,254
Diluted	<b>21,530</b>	21,283	<b>21,389</b>	21,309



# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars)	Quarter ended December 31,		Year ended December 31,	
	2015 (unaudited)	2014 (unaudited)	2015 (audited)	2014 (audited)
<b>Net earnings (loss)</b>	<b>13,941</b>	11,363	<b>(40,221)</b>	50,125
Other comprehensive 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 nil and \$29 for the quarter and year (\$20 and \$76 in 2014))	-	(56)	<b>(78)</b>	(206)
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to earnings (net of income tax of nil and \$167 for the quarter and year (\$45 and \$179 in 2014))	-	121	<b>452</b>	483
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency (net of income tax of \$6,689 for the quarter and year (nil in 2014))	<b>(12,976)</b>	5,116	<b>(25,938)</b>	11,450
Unrealized exchange losses on the translation of debt designated as a hedge of net investments in foreign operations (net of income tax of \$6,200 for the quarter and year (nil in 2014))	<b>6,200</b>	(10,898)	<b>(4,057)</b>	(22,326)
	<b>(6,776)</b>	(5,717)	<b>(29,621)</b>	(10,599)
Items that will not subsequently be reclassified to net earnings (loss):				
Remeasurements of long-term employee benefit obligations (net of income tax of \$225 and \$118 for the quarter and year (\$277 and \$1,509 in 2014))	<b>(1,247)</b>	(716)	<b>(321)</b>	(4,045)
Total other comprehensive loss	<b>(8,023)</b>	(6,433)	<b>(29,942)</b>	(14,644)
<b>Comprehensive income (loss) attributable to shareholders</b>	<b>5,918</b>	4,930	<b>(70,163)</b>	35,481

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars, audited)	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, 2013</b>	87,271	1,332	1,687	394,716	3,749	488,755
Net earnings	-	-	-	50,125	-	50,125
Other comprehensive loss	-	-	-	(4,045)	(10,599)	(14,644)
Comprehensive income (loss)	-	-	-	46,080	(10,599)	35,481
Contributions by and distributions to shareholders:						
Repurchase and cancellation of shares	(239)	-	-	(1,209)	-	(1,448)
Issuance of shares	206	-	-	-	-	206
Dividends	-	-	-	(11,090)	-	(11,090)
Stock-based compensation	-	1,092	-	-	-	1,092
	(33)	1,092	-	(12,299)	-	(11,240)
<b>Balance, December 31, 2014</b>	<b>87,238</b>	<b>2,424</b>	<b>1,687</b>	<b>428,497</b>	<b>(6,850)</b>	<b>512,996</b>
Net loss	-	-	-	(40,221)	-	(40,221)
Other comprehensive loss	-	-	-	(321)	(29,621)	(29,942)
Comprehensive loss	-	-	-	(40,542)	(29,621)	(70,163)
Contributions by and distributions to shareholders:						
Repurchase and cancellation of shares	(689)	-	-	(7,058)	-	(7,747)
Issuance of shares	11,315	-	-	-	-	11,315
Convertible debentures redemption	-	-	(1,687)	1,687	-	-
Dividends	-	-	-	(10,587)	-	(10,587)
Stock-based compensation	-	1,164	-	-	-	1,164
	10,626	1,164	(1,687)	(15,958)	-	(5,855)
<b>Balance, December 31, 2015</b>	<b>97,864</b>	<b>3,588</b>	<b>-</b>	<b>371,997</b>	<b>(36,471)</b>	<b>436,978</b>

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars)	Quarter ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(audited)	(audited)
<b>OPERATING ACTIVITIES</b>				
Net earnings (loss)	13,941	11,363	(40,221)	50,125
Non-cash items:				
Restructuring and other charges	1,932	(1,931)	5,328	(1,931)
Impairment and transaction charges related to the sale of net assets	(2,578)	-	144,968	-
Finance costs, net	853	4,035	6,006	13,332
Depreciation and amortization	3,334	8,355	13,174	31,685
Income tax expense (recovery)	5,213	4,131	(32,814)	12,660
Amortization of incentives granted to customers	3,419	3,217	12,532	11,623
Other non-cash items	(944)	3,340	4,277	4,020
Changes in working capital items	(41,621)	(8,026)	(80,098)	24,100
Interest paid	(559)	(2,000)	(5,330)	(10,186)
Income taxes paid	(2,241)	(2,614)	(12,426)	(11,894)
Cash flows from (used in) operating activities	(19,251)	19,870	15,396	123,534
<b>INVESTING ACTIVITIES</b>				
Net business acquisitions	(14,724)	(1,118)	(40,821)	(18,735)
Net cash proceeds from sale of net assets	(4,501)	-	321,001	-
Net balance of purchase price	4,461	(17)	(1,114)	-
Advances to merchant members and incentives granted to customers	(2,660)	(4,630)	(13,282)	(16,980)
Reimbursement of advances to merchant members	776	642	4,141	6,492
Dividends received from equity investments	-	367	664	367
Net acquisitions of property and equipment	(2,904)	(4,993)	(16,846)	(13,333)
Net acquisitions and development of intangible assets	(874)	(585)	(4,948)	(6,133)
Cash flows from (used in) investing activities	(20,426)	(10,334)	248,795	(48,322)
<b>FINANCING ACTIVITIES</b>				
Increase in long-term debt	100,467	14,699	210,358	73,558
Repayment of long-term debt	(18,104)	(20,265)	(327,984)	(136,597)
Convertible debenture redemption	-	-	(41,713)	-
Net increase (decrease) in merchant members' deposits in the guarantee fund	133	(12)	175	(52)
Repurchase and cancellation of shares	(152)	(1,256)	(7,747)	(1,448)
Issuance of shares	2,769	206	11,315	206
Dividends paid	(2,639)	(2,828)	(10,570)	(10,826)
Cash flows used in financing activities	82,474	(9,456)	(166,166)	(75,159)
Effects of fluctuations in exchange rates on cash	(1,265)	(2)	(6,700)	(3)
Net increase in cash	41,532	78	91,325	50
Cash, beginning of period	49,900	29	107	57
Cash, end of period	91,432	107	91,432	107

# UNI-SELECT INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, audited)

December 31,

	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash	91,432	107
Trade and other receivables	127,402	224,910
Income taxes receivable	11,053	10,663
Inventory	269,900	529,575
Prepaid expenses	12,671	11,829
Total current assets	512,458	777,084
Equity investments, other investments and advances to merchant members	14,082	21,743
Property and equipment	30,304	51,924
Intangible assets	65,355	133,556
Goodwill	157,270	192,496
Deferred tax assets	55,681	13,502
<b>TOTAL ASSETS</b>	<b>835,150</b>	<b>1,190,305</b>
<b>LIABILITIES</b>		
Current liabilities:		
Trade and other payables	274,512	373,690
Provision for restructuring and other charges	3,983	6,724
Dividends payable	2,485	2,743
Current portion of long-term debt, convertible debentures and merchant members' deposits in the guarantee fund	2,704	49,993
Total current liabilities	283,684	433,150
Long-term employee benefit obligations	18,033	25,233
Long-term debt	87,722	210,462
Merchant members' deposits in the guarantee fund	5,531	6,388
Derivative financial instruments	-	511
Deferred tax liabilities	3,202	1,565
<b>TOTAL LIABILITIES</b>	<b>398,172</b>	<b>677,309</b>
<b>EQUITY</b>		
Share capital	97,864	87,238
Contributed surplus	3,588	2,424
Equity component of the convertible debentures	-	1,687
Retained earnings	371,997	428,497
Accumulated other comprehensive loss	(36,471)	(6,850)
<b>TOTAL EQUITY</b>	<b>436,978</b>	<b>512,996</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>835,150</b>	<b>1,190,305</b>