MANAGEMENT REPORT
FIRST QUARTER REPORT 2006

For the three-month period ended
March 31, 2006

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Message to Shareholders

Uni-Select Inc. increased its net earnings for the first quarter of 2006 by 4.7% to reach $5,646,000 or $0.29 per share (diluted) compared to $5,394,000 or $0.28 per share (diluted) in the previous year. Sales in the first quarter were $262,514,000, a decrease of 1.1% compared to sales of $265,544,000 realised in 2005. The decrease in sales is due to the variation in the exchange rate between the Canadian and American currencies.

Automotive Group USA

Sales for Automotive Group USA increased to 0.6% in the first quarter to reach $136,025,000 compared to $135,241,000 in the first quarter of 2005. Sales would have increased by 6.4% had the exchange rate between the Canadian and U.S. currencies remained constant. The operating income of Automotive Group USA increased from 4.6% to 5.2% during the quarter due to the realization of synergies resulting from plan of action put in place during the course of 2005 and the beginning of 2006.

Automotive Group Canada

Automotive Group Canada's income decreased by 3.6% in the first quarter of 2006 to attain $111,004,000 compared to $115,134,000 in the first quarter of 2005. Weather conditions resulting from mild winter temperatures, a weakness in the sale of paint products stemming from anticipated purchases from merchant members in the month of December 2005 and the changeover of products at Midas franchisees' locations are the dominating factors contributing to the decrease in sales. The operating margin of the Group improved from 5.1% in the first quarter of last year to 5.4% in this quarter, mainly due to the price increase of numerous products.

Heavy Duty Group

Heavy Duty Group's sales increased by 2.1% in the first quarter of 2006 to attain $15,485,000 compared to $15,169,000 in 2005. The operating margin of the Heavy Duty Group was (4.3%) in the first quarter of 2006 compared to (2.4%) last year due to a higher sales volume of low-margin products and increased energy costs.

Outlook

We are pleased to note that the results from our US operations continue to meet our expectations. The impact of the Canadian/US exchange rate masks the actual increase in activity. Our Canadian operations have, in themselves, suffered temporary conditions and we are confident we will see them resume growth in the near future. Lastly, we have noted some uncertainty affecting the North American demand for automotive replacement parts due to the increase in fuel prices. Our past experience leads us to consider that this is a temporary phenomenon and that consumers will adapt to this situation.

Jacques Landreville
President & Chief Executive Officer

Management's Report

Profile

The activities of Uni-Select are segregated into three principal groups: AUTOMOTIVE GROUP CANADA, which specializes in the distribution of automotive replacement parts and accessories across Canada, AUTOMOTIVE GROUP USA, also distributes automotive replacement parts and operates automotive stores in the United States, and HEAVY DUTY GROUP, distributes and sells parts and accessories for heavy duty vehicles in Quebec, Ontario, the Maritimes and Alberta.

Preamble

General

This report of management on the operating results and cash flows for the period ended March 31, 2006 compared to the period ended March 31, 2005, as well as the financial situation of the Company for the period ended March 31, 2006 compared to the period ended December 31, 2005, should be read with the consolidated financial statements and the accompanying notes. Certain sections of this report by management include forward-looking statements which are inherently subject to risks and uncertainties and may cause the Company's actual performance to differ materially from that contemplated by the forward-looking statements.

EBITDA Performance Level

EBITDA represents operating earnings before depreciation, amortization, financial expenses (income), income taxes and non-controlling interest. This measure is presented as it is a widely accepted financial indicator of a company's ability to service and incur debt. EBITDA should not be considered by an investor as an alternative to operating income or net earnings, an indicator of operating performance or of cash flows, or as a measure of liquidity. Because EBITDA is not a measurement determined in accordance with Canadian generally accepted accounting principles ("GAAP"), it may not be comparable to the EBITDA of other companies. In the statement of earnings of the Company, EBITDA is reported under the item "Earnings before the following".

Operating Results

Sales

For the first quarter ended March 31, 2006, Uni-Select recorded sales of $262,514,000 compared with $265,544,000 for the quarter ended March 31, 2005, a decrease of 1.1% or $3,030,000. The decrease in sales is essentially related to the variation of the exchange rate between the Canadian and the U.S. dollar; had the exchange rate been constant, sales would have increased by 1.8%.

- Automotive Group USA sales attained $136,025,000 during the first quarter of 2006, an increase of 0.6% over the corresponding quarter of the preceding year, when sales were reported at $135,241,000. This increase would have been of 6.4% had the exchange rate between the Canadian and U.S. dollar been constant. Excluding the negative impact of the exchange rate variations and the acquisition realized in the last quarters of 2005, sales for the existing operations showed an increase of 2.3%.

- Automotive Group Canada sales attained $111,004,000 in the first quarter of 2006, a decrease of 3.6% compared to the same quarter the previous year where sales reached $115,134,000. This decrease is essentially organic in nature. Mild weather conditions, a weakness in the sale of paint products stemming from anticipated purchases in the month of December 2005 and the changeover of products at Midas franchisees' locations are the dominating factors contributing to the decrease in sales.

- Heavy Duty Group realized sales of $15,485,000 in the first quarter of 2006, an increase of 2.1% over the corresponding quarter of the previous year when sales reached $15,169,000. This increase is essentially of an organic nature.

EBITDA

Uni-Select's EDITDA reached $12,434,000 for the first quarter of 2006, compared to $11,787,000 during the corresponding period a year earlier. The operating margin for the first quarter was 4.7% compared to 4.4% last year.

- The contribution of Automotive Group USA to the first quarter was established at $7,057,000 compared to $6,228,000 for the same quarter of the previous year. The operating margin for Automotive Group USA improved from 4.6% in the first quarter of 2005 to 5.2%. This increase is mainly due to the realization of synergies from the action plans which were put in place during the course of 2005 and early 2006.

- The contribution of Automotive Group Canada to the first quarter was established at $6,045,000 compared to $5,928,000 for the same quarter of the previous year. The operating margin of Automotive Group Canada increased from 5.1% in the first quarter of 2005 to 5.4% due to price increases of many products.

- The contribution of the Heavy Duty Group to the first quarter was ($668,000) compared to ($369,000) during the same quarter of the previous year. The operating margin for the Heavy Duty Group was (4.3%) compared to (2.4%) for the corresponding quarter last year. This decrease is primarily explained by a different mix of sales and higher costs in energy.

Financial, Depreciation and Amortization Expenses

During the first quarter, interest income from cash, cash equivalents and temporary investments less expenses on short term loans were of $137,000 compared to an expense of $78,000 in 2005, principally due to an average cash and cash equivalent level superior to last year.

Long-term borrowing costs for the first quarter were $879,000 compared to $615,000. The increase of $264,000 is primarily explained by an increase in interest rates.

Interest paid on the members' deposits in guarantee funds for the first quarter increased, going from $65,000 to $77,000.

Interest income received from merchant members for the first quarter was $101,000 ($92,000 in 2005).

For the first quarter, depreciation costs reached $2,141,000 compared to $2,098,000 for the previous year due principally to miscellaneous investments made in the last quarters of 2005 and early 2006.

Total financial, depreciation and amortization expenses increased by $95,000 to reach $2,859,000 for the first quarter of 2006. Consequently, for the first quarter, Uni-Select recorded earnings before taxes and non-controlling interest (minority shareholders) of $6,237,000, an increase of 5.4% over the previous year.

Net Profitability

In the first quarter of 2006, the effective tax rate was 34.9% compared to 34.4% in 2005. The increase in the rate is attributable to the greater proportion of income generated out of the United States where rates are higher than the Canadian rates.

After deducting income taxes and the $591,000 non-controlling interest (minority shareholders) in the earnings of the American subsidiary ($523,000 in 2005), Uni-Select posted, for the first quarter, net earnings of $5,646,000 compared to $5,394,000 for the previous year. The increase in net earnings was 4.7% for the first quarter of 2006 when compared to the same period of the previous year. The net profit margin in relation to sales for the quarter went from 2.0% in 2005 to 2.2% in 2006.

For the first quarter, earnings per share amounted to $0.29 ($0.29 diluted), representing a 3.6% growth on earnings per share of $0.28 ($0.28 diluted) over the previous year. For the first quarter, the weighted average number of outstanding shares increased from 19.5 million in 2005 (19.6 million on a diluted basis) to 19.6 million in 2006 (19.7 million on a diluted basis), mainly due to shares issued on the exercise of stock options held by officers.

Principal Cash Flows

Cash Flows from Operating Activities
Cash generated from operations before changes in working capital items amounted to $8 923 000 during the first quarter of 2006, compared to $7,887,000 for the previous year. Changes in working capital items used liquidities in the amount of $5 080 000 during the first quarter compared to $11,437,000 last year. The use of liquidities during the quarter is due mainly to the seasonality of our operations, as well as an increase in pre-paid expenses (principally annual insurance premiums) . After changes to working capital items, operating activities generated net cash flows in the amount of $3,843,000 during the first quarter compared to a use of $3,550,000 last year.

Cash Flow Used by Investing Activities
During the quarter, investment activities used cash in the amount of $608,000. The following are the principal elements thereof:

- the purchase of various fixed assets for $1,349,000 notably to continue the modernization of its information systems, as well as for leasehold and office improvements for both Canada and United States, and automotive equipment mainly for its Automotive Group USA;

- Acquisition of a company in the United States for a cash consideration of $395,000.

Finally, Uni-Select cashed an amount of $1,136,000 on advances made to merchant members, net of new advances made during the quarter.

Cash Flow Used by Financing Activities
During the quarter, financing activities required funds in the amount of $1,308,000. The following are the principal elements thereof:

- $1,568,000 was disbursed as dividend payment on common shares, representing $0.08 per share;

- $306,000 went to the repayment of the long-term debt, net of the increase;

- The reimbursement of bank debt for $97,000.

Finally, an amount of $666,000 was collected by in the issuance of 53,385 common shares, mainly through the exercise of stock options by management.

Considering the total cash flows for the first quarter of 2006, cash and cash equivalents of the Company increased by $1,927,000 for a total of $21,035,000 as at March 31, 2006, compared to $19,108,000 as at December 31, 2005.

Financial Position

As at March 31, 2006, the Company's total assets amounted to $512 345 000 compared to $495,676,000 as at December 31, 2005. This increase of 3.2% is mostly attributable to the increase in short-term assets of $17,535,000, more specifically that of the "accounts receivables".

Accounts receivable increased by 9.3% to reach $146,379,000 at the end of March 2006 compared to $133,903,000 at the end of 2005. The increases are explained by the seasonality of the operations of the Company.

Inventory increased by 0.3% to reach $260,965,000 at the end of March 2006 compared to $260,156,000 as at December 31, 2005.

Long-term investments, comprised mostly of advances granted to merchant members to facilitate their expansion, totalled $6,827,000 as at March 31, 2006 compared to $7,798,000 as at December 31, 2005.

The book value of the Company's fixed assets was $35,588,000 as at March 31, 2006 compared to $36,246,000 as at December 31, 2005. Goodwill went from $17,996,000 at the end of December 2005 to $18,002,000 at the end of March 2006.

Accounts payable stood at $142,990,000 at the end of the first quarter of 2006 compared to $132,339,000 as at December 31, 2005. This variation is essentially due to the seasonality of the operations of the Company.

Long-term debt (including members' deposits in guarantee funds and the portion coming to term in less than one year) decreased by $244,000 to reach $71,812,000 during the first quarter of 2006, compared to $72,056,000 as at December 31, 2005. The long-term debt to shareholders' equity ratio decreased to reach 27.6% compared to 28.2% as at December 31, 2005. On the other hand, bank indebtedness remained mostly unchanged going from $1,932,000 as at December 31, 2005 to $1,834,000 at the end of the first quarter. The sum of cash and cash equivalents along with temporary investments were $25,977,000 as at March 31, 2006 compared to $24,050,000 at December 31, 2005.

Shareholders' equity, taking into account net earnings for the quarter and dividends paid, increased by 1.9% to reach $259,966,000 ($13.23 per common share), compared to $255,617,000 ($13.04 per common share) at the end of 2005. As at May 4, 2006, the Company had 19,654,439 shares and options on 133,729 shares outstanding.

Working capital of the Company stood at $301 148 000 for a ratio of 3.0:1 at the end of the first quarter of 2006 compared to $294,227,000 for a ratio of 3.2:1 as at December 31, 2005.

Perspectives

We are constantly on the lookout for profitable acquisitions, alliances, partnerships or associations to create value for our shareholders. This strategy complements our organic growth initiatives centered on recruiting new merchant members, increasing the loyalty of our actual merchants and introducing new products.

The American market offers an interesting potential both from an organic perspective and in accordance with our corporate development plan, although, the evolution of the Canada/USA exchange rate could have an impact on our revenues and benefits. An appreciation of $0.01 of the Canadian dollar over the American dollar could have an unfavourable impact on our benefits of approximately $0.01 per share on a yearly basis.

We are of the opinion that the slowdown in our revenues in Canada during the first quarter of 2006 is due to temporary factors such as mild temperatures during the past winter, the line changeover of exhaust products and a temporary adjustment in the demand for automotive paint products following the price increase in January 2006. We believe that the Canadian market also offers growth opportunities both organically and by acquisitions on which we could capitalize.

As for the impact of the increase in fuel prices, our past experience tends to indicate that consumers will be able to adjust.

In conclusion, we remain positive with regards to our future perspectives and that of our market.

Additional Information

The reader will find other information related to Uni-Select, including the Company's Annual Information Form, on the SEDAR site at: www.sedar.com.

Notice Related to the Review of Quarterly Financial Statements

The quarterly financial statements for the period ended March 31, 2006, have not been reviewed by the auditors of the Company.

UNI-SELECT INC.
CONSOLIDATED EARNINGS

THREE-MONTH PERIOD ENDED MARCH 31, 2006 AND 2005

(IN THOUSANDS OF DOLLARS, EXCEPT BASIC AND DILUTED EARNINGS PER SHARE)

	THREE MONTHS	
	2006	**2005**
	UNAUDITED	
	$	**$**
SALES	**262 514**	265 544
Earnings before the following items	**12 434**	11 787
Interest on bank indebtedness	**132**	89
Interest on long-term debt	**879**	615
Interest on merchant members' deposits in guarantee funds	**77**	65
Interest income from cash and cash equivalent	**(269)**	(11)
Interest income from merchant members	**(101)**	(92)
Amortizations (Note 2)	**2 141**	2 098
	2 859	2 764
Earnings before income taxes and non-controlling interest	**9 575**	9 023
Income taxes		
Current	**2 793**	3 234
Future	**545**	(128)
	3 338	3 106
Earnings before non-controlling interest	**6 237**	5 917
Non-controlling interest	**591**	523
Net earnings	**5 646**	5 394
Basic earnings per share (Note 3)	**0.29**	0.28
Diluted earnings per share (Note 3)	**0.29**	0.28
Weighted average number of outstanding shares	**19 631 778**	19 460 907
Number of issued and outstanding common shares	**19 653 101**	19 491 449

CONSOLIDATED RETAINED EARNINGS
THREE-MONTH PERIOD ENDED MARCH 31, 2006 AND 2005

(IN THOUSANDS OF DOLLARS)

	2006	**2005**
	UNAUDITED	
	$	**$**
Balance, beginning of period	**220 966**	188 159
Net earnings	**5 646**	5 394
	226 612	193 553
Dividends	**1 965**	1 433
Balance, end of period	**224 647**	192 120

UNI-SELECT INC.

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS OF DOLLARS)	MARCH 31, 2006	MARCH 31, 2005	DECEMBER 31, 2005
	UNAUDITED	UNAUDITED	AUDITED
	$	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**21 035**	8 178	19 108
Temporary investment	**4 942**	-	4 942
Accounts receivable	**146 379**	139 856	133 903
Income taxes receivable	**6 977**	4 895	5 352
Inventory	**260 965**	267 154	260 156
Prepaid expenses	**5 799**	5 615	3 885
Future income taxes	**2 763**	5 506	3 093
	448 860	431 204	430 439
Investments and volume discounts receivable, at cost	**6 827**	8 234	7 798
Property, plant and equipment	**35 588**	33 746	36 246
Financings costs	**1 201**	1 311	1 321
Goodwill	**18 002**	18 306	17 996
Future income taxes	**1 867**	3 204	1 876
	512 345	496 005	495 676
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness	**1 834**	8 771	1 932
Accounts payable	**142 989**	145 527	132 339
Income taxes payable	**785**	6 676	-
Dividends payable	**1 965**	1 433	1 568
Instalments on long-term debt and merchant members' deposits in guarantee fund	**139**	127	373
	147 712	162 534	136 212
Deferred government grants	**392**	420	395
Long-term debt	**64 140**	66 999	64 349
Merchant members' deposits in guarantee funds	**7 533**	7 574	7 334
Future income taxes	**5 042**	3 961	4 837
Non-controlling interest	**27 560**	25 448	26 932
	252 379	266 936	240 059
SHAREHOLDERS' EQUITY			
Capital stock (Note 4)	**48 722**	46 521	48 056
Retained earnings	**224 647**	192 120	220 966
Cumulative translation adjustments	**(13 403)**	(9 572)	(13 405)
	259 966	229 069	255 617
	512 345	496 005	495 676

UNI-SELECT INC.
CONSOLIDATED CASH FLOWS

THREE-MONTH PERIOD ENDED MARCH 31, 2006 AND 2005

(IN THOUSANDS OF DOLLARS, EXCEPT DIVIDENDS PAID ON COMMON SHARES)

	THREE MONTHS	
	2006	**2005**
	UNAUDITED	
	$	**$**
OPERATING ACTIVITIES		
NET EARNINGS	**5 646**	5 394
NON-CASH ITEMS		
Amortizations	**2,141**	2 098
Future income taxes	**545**	(128)
Non-controlling interest	**591**	523
	8 923	7 887
Changes in working capital items	**(5,080)**	(11,437)
CASH FLOWS FROM OPERATING ACTIVITIES	**3 843**	(3 550)
INVESTING ACTIVITIES		
Business acquisitions	**(395)**	(1 063)
Advances to merchant members	**(834)**	(481)
Receipts on advances to merchant members	**1 970**	1 097
Property, plant and equipment	**(1 349)**	(1 932)
CASH FLOWS FROM INVESTING ACTIVITIES	**(608)**	(2 379)
FINANCING ACTIVITIES		
Bank indebtedness	**(97)**	5 578
Balance of purchase price	**-**	(4,104)
Long-term debt	**572**	3 387
Repayment of long-term debt	**(878)**	(105)
Merchant members' deposits in guarantee fund	**(3)**	(62)
Issuance of shares	**666**	920
Dividends paid	**(1 568)**	(1 428)
CASH FLOWS FROM FINANCING ACTIVITIES	**(1 308)**	4 186
Net increase (decrease) in cash and cash equivalents	**1 927**	(1 743)
Cash and cash equivalents, beginning of period	**19 108**	9 921
Cash and cash equivalents, end of period	**21 035**	8 178

Cash and cash equivalents include cash and temporary investments maturing in less than three months.

Dividends paid on common shares	**0.080**	0.074

UNI-SÉLECT INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of dollars, except per share amounts)

1. Basis of presentation

The accompanying unaudited financial statements are in accordance with Canadian generally accepted accounting principles for interim financial statements and do not include all the information required for complete financial statements. They are also consistent with the accounting policies outlined in the Company's audited financial statements for the year ended December 31, 2005, except where stated below. The interim financial statements and related notes should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2005. Where required, the financial statements include amounts based on informed estimates and best judgements of management. The operating results for the interim period reported are not necessarily indicative of results to be expected for the year.

Certain comparative figures have been reclassified to conform with the current year's presentation.

2. Information on results

For the three-month periods ended March 31, 2006 and 2005

	2006	2005
Amortization of property, plant and equipment	**2 020**	2 020
Amortization on financing costs	**121**	78
	2 141	2 098

3. Earnings per share

The following table presents basic and diluted earnings per share:

For the three-month periods ended March 31, 2006 and 2005

	2006			**2005**		
	Net earnings	Weighted average number of shares	Earnings per share	Net earnings	Weighted average number of shares	Earnings per share
	$		$	$		$
Basic earnings per share	5 646	19 631 778	0.29	5 394	19 460 907	0.28
Impact of stock options exercised		86 632			172 079	
Diluted earnings per share	5 646	19 718 410	0.29	5 394	19 632 986	0.28

4. Capital Stock

Authorized
Unlimited number of shares
Preferred shares, issuable in series
Common shares

	Three months ended March 31, 2006 (unaudited)	Twelve months ended December 31, 2005 (audited)
Issued and fully paid		
Balance, beginning of year: 19,599,716 common shares (19,423,289 in 2005)	**48 056**	45 601
Issue of 52,711 common shares on the exercise of stock options (174,710 in 2005)	**646**	2 405
Issue of 674 common shares for cash (1,717 in 2005)	**20**	50
Balance, end of period: 19,653,101 common shares (19,599,716 in 2005)	**48 722**	48 056

5. **Business acquisitions**

On January 31st, the Company acquired the assets of South Austin Auto Supply, Inc., a company operating in the Automotive USA segment for a price of $395. The Company did not assume any liabilities under this transaction.

6. **Employee future benefits**

As at March 31, 2006, the Company's pension plans are defined benefit and contributions plans.

For the three-month period ended March 31, 2006, the total expense for the defined contribution pension plan was of $298 ($231 in 2005) and of $505 ($418 in 2005) for the defined benefit pension plans.

7. **Segmented information**

For the three-month periods ended March 31, 2006 and 2005
(in thousands of dollars)

	Automotive Canada		Automotive USA		Heavy Duty		Consolidated	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005
	$	$	**$**	$	**$**	$	**$**	$
SALES	**111,004**	115,134	**136,025**	135,241	**15,485**	15,169	**262,514**	265,544
Earnings before interest, amortization, income taxes and non-controlling interest	**6,045**	5,928	**7,057**	6,228	**-668**	-369	**12,434**	11,787
ASSETS	**210,160**	195,300	**261,208**	262,053	**40,977**	38,652	**512,345**	496,005
Acquisition of property, plant and equipment	**624**	967	**690**	1,011	**58**	126	**1,372**	2,104

8. **Subsequent Events**

On February 23, 2006, the Company exerciced its option to purchase the shares held by its partner in the USA-AGI Prairies Inc joint venture, a company operating in the Automotive industry in Canada. Following the exercice, the Company will own 100% of the outstanding shares of USI-AGI Prairies Inc. on May 31, 2006. The preliminary amount of the transaction should be $30,265.

On April 1, 2006, the Company acquired 100% of the outstanding shares of 1057487 Ontario Inc., a company operating in the Automotive industry in Canada for an estimated purchase price of $ 3,540.

On May 1, 2006, the Company proceded with the acquisition of certain assets of the Earl Bristo Company for an estimated purchase price of $1,480.

On May 16, 2006, the Company entered into an agreement to purchase the assets of Auto Craft Automotive Products, LLC for an estimated purchase price of $18,800.