Consolidated Interim Report

1

1st quarter
period ended March 31, 2008

TABLE OF CONTENTS

Head Office
170 Industriel Boulevard
Boucherville, Quebec
J4B 2X3
Tel: (450) 641-2440
Fax: (450) 449-4908
Internet : www.uni-select.com

Ticker Symbol:
UNS, Toronto Stock Exchange

Investor Relations
Mr. Denis Mathieu, CA, Vice President and Chief Financial Officer
Tel : (450) 641-6905

MANAGEMENT REPORT

This Management Report on the operating results and cash flows of the Company for the period ended March 31, 2008 compared to the period ended March 31, 2007 and on its financial position for the period ended March 31, 2008 compared to December 31, 2007 should be read in conjunction with the consolidated financial statements and accompanying notes. The information contained in this Management Report takes into account any major event that occurred prior to May 8, 2008, on which date the financial statements and Management Report were approved by the Board of Directors of the Company. It presents the status and business context of the Company as they were, to management's best knowledge, at the time these lines were written.

Additional information on Uni-Select, including the audited financial statements as of December 31, 2007 and the Annual Information Form of the Company, is available on SEDAR's website at: www.sedar.com.

In this Management Report, "Uni-Select" or the "Company" designates, as the case may be, Uni-Select Inc., or its subsidiaries, divisions or joint ventures. Unless otherwise indicated, all financial amounts appearing in this Management Report, including tabular amounts, are expressed in thousands of Canadian dollars, and all comparisons are made with the previous period.

Certain sections of this Management Report contain forward-looking statements which, by their very nature, include risks and uncertainties, such that actual results could differ from those indicated in these forward-looking statements. Unless required to do so pursuant to applicable securities legislation, management 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.

The interim financial statements for the period ended March 31, 2008 have not been reviewed by the auditors of the Company.

SUMMARY

Uni-Select recorded sales of $281,698 for the first quarter of 2008, an increase of 3.1% compared to the same quarter in 2007. With respect to net earnings, Uni-Select reports a 4.0% increase compared to the same period a year ago, having reached $6,061 or $0.31 per share. These results are notably due to the integration of acquisitions completed in 2007 and 2008.

1. FINANCIAL HIGHLIGHTS OF THE FIRST QUARTER

(in thousands of dollars, except for per-share amounts and percentages)

	First Quarter ended		
OPERATING RESULTS	**March 31, 2008**	March 31, 2007	%
Sales	**281,698**	273,165	3.1%
Operating income (EBITDA)	**14,532**	13,402	8.4%
EBITDA margin	***5.2%***	*4.9%*	
Earnings before income taxes and non-controlling interest	**9,937**	9,789	1.5%
Net earnings	**6,061**	5,828	4.0%
COMMON SHARE DATA			
Earnings and diluted earnings per share	**0.31**	0.30	
Dividend paid per share	**0.108**	0.10	
Number of shares issued and outstanding	**19,736,558**	19,725,154	
Weighted average number of outstanding shares	**19,736,558**	19,711,957	
FINANCIAL POSITION	**March 31, 2008**	December 31, 2007	
Working capital	**333,564**	326,941	
Total assets	**653,319**	615,573	
Total net indebtedness	**163,721**	134,945	
Long-term debt to shareholders' equity ratio	**33.0%**	32.7%	
Funded debt to EBITDA	**2.12**	1.76	
Return on shareholders' equity	**13.5%**	13.9%	
Book value per share	**15.86**	15.43	

2. DESCRIPTION OF THE ACTIVITIES OF THE COMPANY

Founded in 1968, Uni-Select Inc. ("Uni-Select" or the "Company") is the second largest distributor of automotive replacement parts and accessories in Canada, and the seventh largest in the United States. Uni-Select's business is segmented into three distinct reportable sectors:

• **Automotive Group Canada**, comprised of various subsidiaries, joint ventures and divisions, specializes in the distribution of automotive replacement parts, tools and accessories across Canada. Its customer base consists primarily of 536 independent jobbers serving installers and collision repair centres, as well as large national chains of installers. Through its 13 distribution centres located in all of Canada's major regions and its 36 corporate stores, Automotive Group Canada manages some 350,000 different products, mainly national brands, which it sources from a pool of North American and international manufacturers. Besides distribution services, the group provides merchant members with a broad selection of services on a menu basis, including several differentiating marketing programs under distinctive banners, training activities, IT management tools, financing and various programs aimed at supporting its customers' operations and expansion.

• **Automotive Group USA**, comprised of Uni-Select USA, Inc., is a subsidiary owned 86.9% by the Company, conducts similar operations in the United States. This group currently operates 61 distribution centres and 236 corporate stores in 25 different states. This network provides it with coverage of approximately 70% of the U.S. registered vehicle fleet. Automotive Group USA serves some 1,544 independent merchants to whom it offers a large selection of products and services.

• **Heavy Duty Group,** of which Uni-Select's wholly-owned subsidiary Palmar Inc. is a part of, is involved in the distribution and sale of replacement parts and accessories for heavy duty trucks, trailers and buses, as well as specialty tools and wheels for all types of vehicles. It operates one distribution centre in Quebec, along with 23 corporate stores in Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Ontario and Alberta.

3. ECONOMIC CONDITIONS

Risks related to Industry and Economic Conditions
Although not as cyclical as the new vehicles market, the replacement parts market relies upon last year's new vehicle sales. The Heavy Duty Group is also affected by external factors, such as the economy and the transport industry in general.

The multiplicity of vehicle models, combined with increased longevity, translates into a proliferation of replacement parts, which forces distributors and merchants to supply a larger range of products in order to meet demand. The increase in the number of parts required to serve customers increases the requirements in terms of capital and sophistication of management. In addition, technological developments that require a constant adaptation to the market are barriers to effective penetration of the market.

The Canada/US exchange rate may affect the Company's consolidated results when converting the results of the Automotive USA Group into Canadian currency. Nevertheless, the potential impact on profitability is diminished by the fact that the Company, to some extent, benefits from a natural protection in splitting its sales and purchases between the two currencies. Furthermore, the Company is of the opinion that the increase in the Canadian dollar over the last few years has resulted in deflation in the value of replacement parts sold in Canada, which has had a negative impact on sales and profit margin.

Management has, nevertheless, taken measures to lessen the effects of these risks.

Risks Relating to the Business Model and Strategic Plan of Uni-Select
Uni-Select's business model, which is based on serving its merchant members, requires special measures to ensure the loyalty and longevity of these relationships. Uni-Select has implemented different programs to so ensure and remains proactive and open to the needs of its members (increasing product range, administrative services on a menu basis such as marketing, training and financial support).

Growth through acquisitions has its own risks. However, Uni-Select has fine-tuned its expertise in this domain. To limit risks, the Company applies a targeted and selective strategy, conducts stringent due diligence reviews and develops detailed integration plans.

4. NON GAAP PERFORMANCE MEASURES

The information contained in this report also includes some figures that are not performance measures consistent with Canadian generally accepted accounting principles ("GAAP").

For instance, the Company uses "EBITDA", which represents operating income before interests, amortization, income taxes and non-controlling interest, because this measure is a widely accepted financial indicator of a company's ability to service and incur debt. It should not be considered by an investor as an alternative to operating income or net earnings, as an indicator of operating performance or cash flows, nor as a measure of liquidity, but as complementary information. As EBITDA is not a measurement defined by Canadian GAAP, it may not be comparable to the EBITDA of other companies. In the Company's statement of earnings, EBITDA corresponds to *"Earnings before the following items"*. The EBITDA margin corresponds to the percentage of EBITDA divided by sales.

The Company also uses the "organic growth" measure, which consists in quantifying the increase in consolidated and segmented sales between two given periods, excluding the impact of acquisitions, strategic alliances and exchange rate fluctuations and, if applicable, the different number of billing days between the periods. Uni-Select uses this measure because it enables the Company to judge the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. The determination of the organic growth rate, which is based on reasonable findings according to management, could differ from actual organic growth rates. This measure may also not correspond to similarly titled measures used by other companies.

Also, the Company uses "total net indebtedness", which consists of long-term debt and merchant members' deposits in a guarantee fund (including current portions), net of cash and cash equivalents and temporary investments. It also uses the total net debt to total invested capital ratio, which corresponds to the percentage of total net debt divided by the sum of total net debt and shareholders' equity. These measurements are not defined by Canadian GAAP and may therefore not be comparable to similarly titled measures used by other companies. They are used by Uni-Select because they are widely accepted indicators of a company's short and long-term financial health.

Finally, the Company uses the funded debt to EBITDA ratio which corresponds to bank indebtedness, long term debt, merchant members' deposits in guarantee funds (including current portion) and the fair value of the derivative financial instruments to EBITDA.

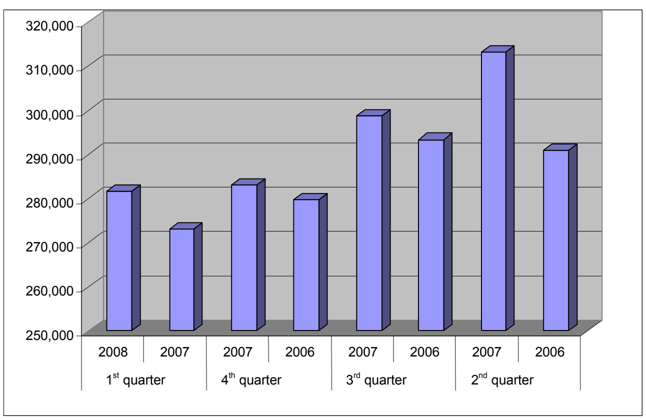
5. CONSOLIDATED QUARTERLY OPERATING RESULTS

The following table summarizes the main financial information contained in the consolidated interim financial statements for each of the last eight quarters.

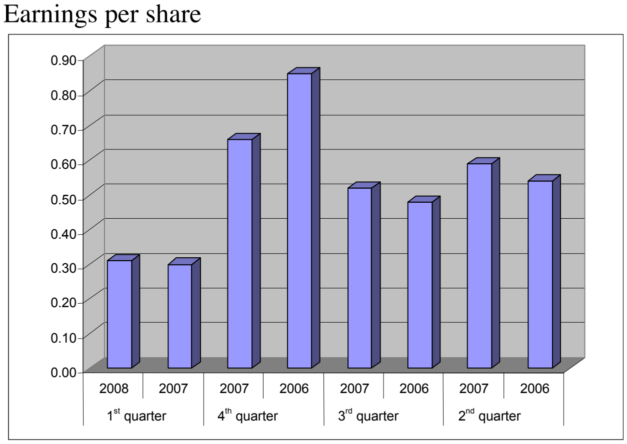
(in thousands of dollars, except for per-share amounts and percentages)

	1st quarter		4th quarter		3rd quarter		2nd quarter	
	2008	2007	2007	2006	2007	2006	2007	2006
Sales	**281,698**	273,165	283,111	279,827	298,756	293,421	313,257	291,013
Operating income (EBITDA)	**14,532**	13,402	23,505	30,479	19,965	18,800	23,138	20,112
EBITDA margin	***5.2%***	*4.9%*	*8.3%*	*10.9%*	*6.7%*	*6.4%*	*7.4%*	*6.9%*
Net earnings	**6,061**	5,828	13,080	16,677	10,258	9,402	11,675	10,539
Earnings per share	**0.31**	0.30	0.66	0.85	0.52	0.48	0.59	0.54
Diluted earnings per share	**0.31**	0.30	0.66	0.84	0.52	0.48	0.59	0.53
Dividend per share	**0.108**	0.10	0.108	0.10	0.108	0.10	0.108	0.10

Sales



Earnings per share



6. DISCUSSION AND ANALYSIS OF CONSOLIDATED RESULTS

(in thousands of dollars, except for percentages)

	First quarter		
	2008	2007	**%**
Sales	**281,698**	273,165	3.1%
EBITDA	**14,532**	13,402	8.4%
EBITDA margin	***5.2%***	*4.9%*	

Sales

The increase by 3.1% in sales in the first quarter is attributable to the following:

- Sales generated by acquisitions completed in the previous quarters for an increase of 12.8% compared to the same period last year;

Partially offset by:

- The depreciation of 14% in the U.S dollar in relation to the Canadian dollar which had a negative impact of 7.7% on the quarter's sales;
- The loss of an important customer and the change in purchasing habits of another customer of Automotive Group USA.

Operating Income

The improvement of the EBITDA margin to 5.2% is mainly due to the following factors:

- A larger proportion of sales to installers, for which the gross margin is higher;
- The achievement of synergies resulting from the latest acquisitions and action plans put into place in the USA;
- An improvement in buying conditions;

Offset by:

- An increase in operating expenses essentially caused by the increase in distribution costs to serve the installers;
- A constant pressure put on gross margins;
- Non-recurrent costs of $300 related to damages to a distribution centre in Canada;
- The slower integration and realization of synergies of the Canadian corporate stores acquired during previous quarters.

7. DISCUSSION AND ANALYSIS OF SEGMENTED RESULTS

7.1 Automotive Group USA

(in thousands of dollars, except for percentages)

	First quarter		
	2008	2007	%
Sales	**149,919**	148,538	0.9%
EBITDA	**9,177**	7,932	15.7%
EBITDA margin	***6.1%***	*5.3%*	

Sales

Automotive Group USA realized a 0.9% increase in its sales over the corresponding quarter of the previous year. This increase is explained as follows:

- The increase of sales generated through acquisitions completed during the course of the previous quarters representing a 17.6% increase in sales;

In part offset by:

- The appreciation of the Canadian dollar in relation to the U.S. dollar which had a negative impact of 14.2% on sales;
- The weakness of the U.S. economy which created a general market slowdown and contributed in an organic decrease of 2.5% mainly explained by the loss of an important customer and the change in purchasing habits of another customer.

Operating Income

The improvement of the EBITDA margin of Automotive Group USA to 6.1% is mainly due to the following factors:

- An increased proportion of sales to installers stemming from the purchase of stores with more considerable gross margins;
- The realization of synergies pursuant to the integration of acquisitions;

In part offset by:

- An increase in operating expenses essentially caused by the increase in distribution costs to serve installers;
- An increase in delivery costs at the stores level due to increased fuel costs.

7.2 Automotive Group Canada

(in thousands of dollars, except for percentages)

	First quarter		
	2008	2007	%
Sales	**118,765**	110,832	7.2%
EBITDA	**6,468**	6,618	(2.3%)
EBITDA margin	***5.4%***	*6.0%*	

Sales

Automotive Group Canada realized a 7.2% increase in its sales over the corresponding quarter of the previous year. This situation is due to the following factors:

- The acquisitions completed during the course of previous quarters for a contribution of 7.9%;
- Organic growth of 1.6% for all regions except Pacific which is more affected by the economic slowdown;

In part offset by:

- One less billing day than in the same quarter last year.

Operating Income

During the first quarter, the contribution of Automotive Group Canada decreased by 0.6%. This decrease of the EBITDA margin is explained by the following factors:

- A higher gross margin due to:
  - A larger proportion of sales to installers resulting from the acquisition of wholesalers;
  - Improved buying conditions;
- Non-recurring costs in 2007 for the transformation of the London distribution centre to a satellite warehouse;

In part offset by:

- A constant pressure on gross margins;
- The increase in operating expenses pursuant to:
  - Increased operating costs to serve installers;
  - Non-recurrent costs of $300 and a change in sales mix related to damages at the Boucherville distribution centre;
  - The slower integration and realization of synergies of the corporate stores acquired during the previous quarters.

7.3 Heavy Duty Group

(in thousands of dollars, except for percentages)

	First quarter		
	2008	2007	%
Sales	**13,014**	13,795	(5.7%)
EBITDA	**(1,113)**	(1,148)	3.0%
EBITDA margin	***(8.6%)***	*(8.3%)*	

Sales

A 5.7% decrease in sales for the Heavy Duty Group compared to the same quarter a year earlier is principally due to the slowdown in the manufacturing sector in Quebec resulting in a decrease in the transportation industry and, by the same token, in the demand for parts in this sector.

Operating Income

The Heavy Duty Group recorded a negative margin of 8.6%, compared to a negative margin of 8.3% for the corresponding period in 2007. The decrease in the operating margin is essentially explained by the operating expenses, which were basically semi-variable and could not be lowered proportionately with sales. However, an improvement in the gross margin and strict monitoring of operating expenses pursuant to the different strategies implemented since last year have contributed to the decrease in the operating loss.

8. DISCUSSION AND ANALYSIS OF OTHER ITEMS AND AMOUNTS RELATING TO CONSOLIDATED RESULTS

(in thousands of dollars, except for percentages

	First quarter		
	2008	2007	%
Interest	**1,899**	1,337	42.0%
Amortization	**2,696**	2,276	18.5%
Income taxes	**3,197**	3,348	(4.5%)
Tax rate	**32.2%**	34.2%	

8.1 Interest

The increase in interest expense during the course of the first quarter is explained as follows:

- A $475 increase in interest expense on bank indebtedness net of cash, cash equivalents and temporary investments, due to an average level of indebtedness superior to the preceding year resulting, in large part, from acquisitions realized in 2007 and the beginning of 2008 and due to current activities;

- Long-term borrowing costs increased by 10.2% or $103 during the course of the first quarter, as a result of recent acquisitions, offset by a decrease in interest rates.

8.2 Amortization

The increase in amortization costs in the first quarter is due to the acquisitions completed in 2007 and during the first quarter of the fiscal year as well as the acquisition of fixed assets in 2007 required to modernize management systems.

8.3 Income Taxes

During the first quarter, the effective tax rate decreased by 2.0% compared to the corresponding quarter in 2007. The decrease in tax rate is partially explained by a decrease of the Canadian federal tax rate, a different geographic weighting and by a reorganization in our U.S. operations at the end of 2007.

9. CASH FLOWS

The following table summarizes cash flows.

(in thousands of dollars)

	First quarter	
	2008	2007
Cash flows generated by operations before working capital items	**9,777**	8,586
Working capital items	**(9,922)**	(21,400)
Operating activities	**(145)**	(12,814)
Investing activities	**(20,838)**	519
Financing activities	**21,062**	11,438
Changes in cash and cash equivalents	**79**	(857)

9.1 Cash Flows from Operating Activities

Cash flows from operating activities (before working capital items) improved due, in large part, to an increase in amortization, future income taxes and net earnings. Working capital items used cash flows of $9,922 in 2008 compared to $21,400 in 2007. This change comes essentially from a tax payment made during the first quarter of 2007 as well as a better inventory management in 2008 in comparison with 2007.

9.2 Cash Flows from Investing Activities

The main investing activities in the first quarter are the following:

- In order to pursue its expansion, the Company used $18,397 in 2008 ($3,597 in 2007) in cash for business acquisitions in the US and Canada. For further details, please refer to the complementary notes to the quarterly financial statements;

- The Company also purchased fixed assets for $2,368 in 2008 ($1,655 in 2007). These purchases will allow, amongst other things, the pursuit of the modernization of the management systems and the acquisition of automotive equipment.

9.3 Cash Flows used in Financing Activities

The principal financing activities in the first quarter were as follows:

- The use of bank indebtedness of $23,995 in 2008 ($13,959 in 2007) to finance acquisitions in both Canada and the US, an increase in working capital items resulting therefrom as well as current activities;
- The payment of dividends of $2,122 to holders of common shares, being $0.108 per share compared to $0.10 in 2007.

10. FINANCIAL POSITION

Analysis of the main items of the consolidated balance sheets.

(in thousands of dollars)

	March 31 2008	Dec. 31 2007	Variance	Impact from acquisitions	Residual amount net of acquisitions	Explanation for remaining net variances
Working capital items excluding cash and cash equivalents and bank indebtedness	**393,944**	362,229	31,715	(11,046)	20,669	The increase is mainly due to the exchange rate as well as a decrease in accounts payable.
Financing costs	**848**	488	360	-	360	Due to the renewal of the bank agreement, amortization and exchange rate.
Goodwill	**73,450**	64,858	8,592	(7,189)	1,403	Principally explained by the fluctuation of the exchange rate.
Long-term debt	**95,671**	91,786	3,885	-	3,885	Principally explained by the fluctuation of the exchange rate.
Derivative financial instrument	**2,006**	-	2,006	-	2,006	Explained by the quoted market prices fluctuation.

11. CAPITAL RESOURCES

Cash flows generated by operations, together with credit facilities available to the Company, are sufficient to meet the needs of the Company with respect to acquisitions, purchase of fixed assets (approximately $20,000 planned for 2008 mainly for the development of information systems) and the payment of dividends.

As at March 31, the Company had $165,000 unused credit facilities available for its development ($91,000 as at December 31, 2007).

The credit facilities are composed of a revolving credit coming to term in October 2011 and, thereafter, renewable annually for additional one-year periods. The credit facilities also include an operating credit which is renewable annually.

Derivative financial instruments are utilized to reduce interest rate risk on the Company's debt. The Company does not enter into financial instruments for trading or speculative purposes. In January 2008, the Company entered into various interest rate swap agreements as part of the Company's program to manage the floating interest rate of the Company's total debt portfolio and related overall cost of borrowing. These agreements, for an amount of $60,000, expire in three instalments of $20,000 in 2011, 2012 and 2013 and bear interest at a rate of 3.94%.

11.1 Indebtedness

(in thousands of dollars except for percentages)

	March 31,2008	December 31, 2007	%
Shareholders' equity	**312,974**	304,573	2.8%
Total net indebtedness	**163,721**	134,945	21.3%
Total net debt to total invested capital ratio	***34.3%***	*30.7%*	

The increase of the debt ratio is directly related to the increase of the bank indebtedness following the acquisitions completed during the course of the first quarter. Note that the acquisitions of the previous quarters have not contributed to the period results in the same proportion as the increase in bank indebtedness. Uni-Select benefits from a solid financial position to pursue its current operations and expansion projects.

11.2 Capital stock

(in thousands of shares)

	First quarter	
	2008	2007
Number of shares issued and outstanding	**19,737**	19,725
Weighted average number of outstanding shares	**19,737**	19,712

For the first quarter, no shares were issued.

As at May 8, 2008, the Company's capital stock consists of 19,736,558 issued and outstanding shares and options to purchase 101,928 shares.

12. 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.

The adoption of this Section resulted in the Company expanding its disclosure in a new note on inventory.

13. 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.

14. INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The President and Chief Executive Officer and the Vice President and Chief Financial Officer have evaluated whether there were changes to internal controls over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting. No such changes were identified through their evaluation.

15. PERSPECTIVES

The performance of the quarter, which includes the contribution of the recent acquisitions, is the result of sales efforts and continuous costs control practices in an ever-competitive market. During the upcoming quarters, the results of Canadian and U.S. operations will continue to benefit from the contributions of acquisitions completed in recent quarters. The Company will continue its search for expansion projects in Canada as well as in the U.S. The strength of the Canadian dollar versus the U.S. dollar facilitates this expansion. Note that based on the actual rate of $1.02, the variation in the dollar will have an impact on the results of the next quarter similar to the one registered in the first quarter. This impact is strictly accounting in nature and does not affect the business development plan in the U.S. Finally, a slight decrease in the North American demand for automotive parts which is likely due to the increase in fuel prices can be observed. Past experience leads us to believe that this phenomenon is temporary and that consumers will know to adapt to this situation.

Richard G. Roy, CA	Denis Mathieu, CA
President and Chief Executive Officer	Vice President and Chief Financial Officer

Approved by the Audit Committee on May 7, 2008 and by the Board of Directors on May 8, 2008.

Uni-Select Inc.

Consolidated Interim Financial Statements
March 31, 2008 and 2007

Financial Statements

Notice related to the review of interim financial statements

The consolidated interim financial statements for the period ended March 31, 2008 have not been reviewed by the auditors of the Company.

CONSOLIDATED EARNINGS
THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007

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

	3 MONTHS	
	2008	2007
	$	$
SALES	**281,698**	273,165
Earnings before the following items	**14,532**	13,402
Interest (Note 4)	**1,899**	1,337
Amortization (Note 4)	**2,696**	2,276
	4,595	3,613
Earnings before income taxes and non-controlling interest	**9,937**	9,789
Income taxes		
Current	**2,802**	3,466
Future	**395**	(118)
	3,197	3,348
Earnings before non-controlling interest	**6,740**	6,441
Non-controlling interest	**679**	613
Net earnings	**6,061**	5,828
Basic earnings and diluted earnings per share (Note 5)	**0.31**	0.30
Number of issued and outstanding shares	**19,736,558**	19,725,154

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

CONSOLIDATED RETAINED EARNINGS
THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007

(in thousands of dollars, unaudited)

	3 MONTHS	
	2008	2007
	$	$
Balance, beginning of period	**287,712**	255,355
Net earnings	**6,061**	5,828
	293,773	261,183
Dividends	**2,122**	2,119
Balance, end of period	**291,651**	259,064

CONSOLIDATED COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007

(in thousands of dollars, unaudited)

	3 MONTHS	
	2008	2007
	$	$
Net earnings	**6,061**	5,828
Other comprehensive income:		
Unrealized losses on derivative financial instruments designated as cash flow hedges, net of income taxes of $659	**(1,414)**	-
Reclassification of realized gains (losses) to net earnings on derivative financial instruments designated as cash flow hedges, net of income taxes of $21 ($20 in 2007)	**46**	(43)
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	**5,830**	(1,237)
Other comprehensive income	**4,462**	(1,280)
Comprehensive income	**10,523**	4,548

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

CONSOLIDATED CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007
(in thousands of dollars, except dividends paid per share, unaudited)

	3 MONTHS	
	2008	**2007**
	$	**$**
OPERATING ACTIVITIES		
Net earnings	**6,061**	5,828
Non-cash items		
Amortization	**2,696**	2,276
Amortization of deferred gain on a sale-leaseback arrangement	**(54)**	(13)
Future income taxes	**395**	(118)
Non-controlling interest	**679**	613
	9,777	8,586
Changes in working capital items	**(9,922)**	(21,400)
CASH FLOWS FROM OPERATING ACTIVITIES	**(145)**	(12,814)
INVESTING ACTIVITIES		
Business acquisitions (Note 6)	**(18,397)**	(3,597)
Advances to merchant members	**(689)**	(636)
Receipts on advances to merchant members	**565**	955
Fixed assets	**(2,368)**	(1,655)
Disposal of fixed assets	**51**	5,452
CASH FLOWS FROM INVESTING ACTIVITIES	**(20,838)**	519
FINANCING ACTIVITIES		
Bank indebtedness	**23,995**	13,959
Balance of purchase price	**(337)**	(393)
Financing costs	**(414)**	-
Long-term debt	**11**	472
Repayment of long-term debt	**(65)**	(708)
Merchant members' deposits in guarantee fund	**(6)**	(289)
Issuance of shares	**-**	367
Dividends paid	**(2,122)**	(1,970)
CASH FLOWS FROM FINANCING ACTIVITIES	**21,062**	11,438
Increase (decrease) in cash and cash equivalents	**79**	(857)
Cash and cash equivalents, beginning of period	**599**	1,130
Cash and cash equivalents, end of period	**678**	273
Dividends paid per share	**0.108**	0.100

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

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2008 AND 2007 AND DECEMBER 31, 2007
(in thousands of dollars, unaudited)

	MARCH 31, 2008	MARCH 31, 2007	DEC. 31, 2007 Audited
	$	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**678**	273	**599**
Temporary investment	**-**	6,897	**-**
Accounts receivable	**149,810**	146,661	**141,043**
Income taxes receivable	**5,182**	9,349	**1,370**
Inventory (Note 7)	**356,108**	313,364	**341,545**
Prepaid expenses	**5,097**	5,314	**4,959**
Derivative financial instrument	**-**	191	**-**
Future income taxes	**8,812**	6,577	**8,671**
	525,687	488,626	**498,187**
Investments and volume discounts receivable	**7,412**	6,225	**7,406**
Fixed assets	**42,354**	37,702	**41,526**
Financing costs	**848**	788	**488**
Covenants not to compete	**303**	524	**330**
Goodwill	**73,450**	44,927	**64,858**
Future income taxes	**3,265**	1,637	**2,778**
	653,319	580,429	**615,573**
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness (Note 8)	**61,058**	41,565	**35,887**
Accounts payable	**128,886**	134,579	**132,660**
Dividends payable	**2,122**	2,119	**2,122**
Instalments on long-term debt and on merchant members' deposits in guarantee fund	**57**	100	**577**
Future income taxes	**-**	61	**-**
	192,123	178,424	**171,246**
Deferred gain on a sale-leaseback arrangement	**2,377**	1,823	**2,338**
Long-term debt	**95,671**	62,365	**91,786**
Merchant members' deposits in guarantee fund	**7,613**	7,949	**7,294**
Derivative financial instrument	**2,006**	-	**-**
Future income taxes	**3,972**	5,089	**3,838**
Non-controlling interest	**36,583**	29,877	**34,498**
	340,345	285,527	**311,000**
SHAREHOLDERS' EQUITY			
Capital stock	**49,872**	49,711	**49,872**
Retained earnings	**291,651**	259,064	**287,712**
Accumulated other comprehensive income (Note 9)	**(28,549)**	(13,873)	**(33,011)**
	263,102	245,191	**254,701**
	312,974	294,902	**304,573**
	653,319	580,429	**615,573**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 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.

The adoption of this Section resulted in the Company expanding its disclosure in a new note on inventory.

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

	3 MONTHS	
Interest	**2008**	**2007**
	$	**$**
Interest on bank indebtedness	**826**	474
Interest on long-term debt	**1,114**	1,011
Interest on merchant members' deposits in guarantee fund	**84**	104
	2,024	1,589
Interest income on cash and cash equivalents	**(10)**	(133)
Interest income from merchant members	**(115)**	(119)
	1,899	1,337
Amortization		
Amortization of fixed assets	**2,592**	2,128
Amortization of other assets	**104**	148
	2,696	2,276

5. EARNINGS PER SHARE

Weighted average number of shares for the calculation of basic earnings per share is 19,736,558 (19,711,957 in 2007). Impact of stock options exercised for the first quarter of 2008 is 23,138 shares (39,752 for first quarter of 2007) which total a weighted average number of shares of 19,759,696 (19,751,709 in 2007) for calculation of diluted earnings per share.

6. BUSINESS ACQUISITIONS

In 2008, the Company acquired the shares of one company 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 two 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	15,455
Fixed assets	458
Other long-term assets	22
Goodwill	7,189
Current liabilities	(3,843)
Long-term liabilities	(24)
	19,257
Cash of companies acquired	249
Total consideration paid less cash acquired	18,397
Balance of purchase price payable	611

7. INVENTORY

Cost of inventory recognized as an expense for the three-month period ended March 31, 2008 is $218,437 ($215,108 for the three-month period ended March 31, 2007).

For the three-month periods ended March 31, 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 March 31, 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 March 31, 2008, interest rates vary between 3.925% and 5.75% (5.35% and 7.75% as at December 31, 2007).

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

	MARCH 31, 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	**4,462**	(20,418)
Balance, end of period	**(28,549)**	(33,011)

10. EMPLOYEE FUTURE BENEFITS

As at March 31, 2008, the Company's pension plans are defined benefit and contribution plans.

For the three-month period ended March 31, 2008, the total expense for the defined contribution pension plans was $257 ($391 in 2007) and $601 ($602 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 $62,037 ($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 quarter of 2008, the results of the Company regarding its objectives when managing capital are the following:

	MARCH 31, 2008	DEC. 31, 2007
Total net debt / invested capital ratio [2] [3]	34.3%	30.7%
Long-term debt / equity ratio [2] [3]	33.0%	32.70%
Funded debt / EBITDA ratio [1] [2] [3]	2.12	1.76
Return on shareholders' equity ratio [1] [3]	13.5%	13.9%

[1] These ratios are calculated over the last 12 months.
[2] Increase in debt ratios comes directly from the increase of bank indebtedness 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 March 31, 2008 proportionally to the increase in bank indebtedness.

Regarding the credit facility, the Company is required to comply with certain financial ratios which it has done as at March 31, 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 March 31, 2008 are summarized in the following table.

				Carrying amount	**Fair value**
	Held-for-trading $	Loans and receivables [1] $	Other financial liabilities $	**Total** $	$
Financial Assets					
Cash and cash equivalents	678	-	-	**678**	**678**
Accounts receivable	-	149,810	-	**149,810**	**149,810**
Investments and volume discounts receivable	-	7,412	-	**7,412**	**7,412**
	678	157,222	-	**157,900**	**157,900**
Financial Liabilities					
Bank indebtedness	-	-	61,058	**61,058**	**61,058**
Accounts payable	-	-	128,886	**128,886**	**128,886**
Dividends payable	-	-	2,122	**2,122**	**2,122**
Long-term debt	-	-	95,728	**95,728**	**95,728**
Merchant members' deposits in guarantee fund	-	-	7,613	**7,613**	**7,613**
Derivative financial instrument	-	-	2,006	**2,006**	**2,006**
	-	-	297,413	**297,413**	**297,413**

[1] Interest income on loans and receivables for the three-month period ended March 31, 2008 represents $314 ($329 for the three-month period ended March 31, 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 payable by the Company of $2,006 ($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 a 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 March 31, 2008 represents the carrying amount of accounts 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.

At March 31, 2008, past-due accounts receivable represent $7,945 and an allowance for doubtful accounts of $3,214 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	290
Balance at March 31, 2008	3,214

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 is has sufficient funds to meet its obligations.

The Company has a renewable credit facility in the amount of $325,000 (Note 8). As at March 31, 2008, the Company benefits from an unused credit facility of approximately $165,000.

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 March 31, 2008, the fixed rate portion of financial debt represents 40% of the total, while the variable rate portion represents 60%.

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 March 31, 2008, whereas other comprehensive income would have resulted in a $365 increase or decrease, respectively.

14. SEGMENTED INFORMATION

	3 MONTHS							
	Automotive Canada		Automotive USA		Heavy Duty		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	$	$	**$**	$	**$**	$	**$**	$
Sales	**118,765**	110,832	**149,919**	148,538	**13,014**	13,795	**281,698**	273,165
Earnings before interest, amortization, income taxes and non-controlling interest (EBITDA)	**6,468**	6,618	**9,177**	7,932	**(1,113)**	(1,148)	**14,532**	13,402
Assets	**254,065**	236,965	**369,622**	307,785	**29,632**	35,679	**653,319**	580,429
Acquisition of fixed assets	**1,316**	423	**1,489**	1,478	**21**	6	**2,826**	1,907
Acquisition of goodwill	**7,096**	428	**93**	439	**-**	-	**7,189**	867

The Automotive USA segment includes fixed assets for an amount of $17,513 ($14,058 as at March 31, 2007) and goodwill for an amount of $36,205 ($18,127 as at March 31, 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.