Consolidated Interim Report

2

2nd quarter

Period ended June 30, 2007

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MANAGEMENT REPORT

This Management Report on the operating results and cash flows of the Company for the period ended June 30, 2007 compared to the period ended June 30, 2006 and on its financial position for the period ended June 30, 2007 compared to December 31, 2006 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 August 7, 2007, 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, 2006 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 June 30, 2007 have not been reviewed by the auditors of the Company.

SUMMARY

Uni-Select recorded sales of $313,258 for the second quarter of 2007, an increase of 7.6% compared to the same quarter of 2006. With respect to net earnings, Uni-Select reports a 10.8% increase compared to the same period a year ago, having reached $11,675 or $0.59 per share. These results are notably due to the integration of acquisitions completed in 2006 and to a better operating margin.

1. FINANCIAL HIGHLIGHTS OF THE SECOND QUARTER

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

	Second Quarters ended			Six-month periods ended		
OPERATING RESULTS	**June 30 2007**	June 30 2006	**%**	**June 30 2007**	June 30 2006	**%**
Sales	**313,258**	291,013	7.6%	**586,422**	550,655	6.5%
Operating income (EBITDA)	**22,956**	20,111	14.1%	**36,387**	32,545	11.8%
EBITDA margin	***7.3%***	*6.9%*		***6.2%***	*5.9%*	
Earnings before income taxes and non-controlling interest	**12,500**	11,358	10.1%	**18,941**	17,595	7.6%
Net earnings	**11,675**	10,539	10.8%	**17,503**	16,185	8.1%
Net profit margin	***3.7%***	*3.6%*		***3.0%***	*2.9%*	
COMMON SHARE DATA						
Earnings per share	**0.59**	0.54		**0.89**	0.82	
Diluted earnings per share	**0.59**	0.53		**0.89**	0.82	
Dividend paid per share	**0.108**	0.10		**0.208**	0.18	
Number of shares issued and outstanding	**19,736,558**	19,699,016		**19,736,558**	19,699,016	
Weighted average number of outstanding shares	**19,725,562**	19,667,649		**19,718,736**	19,649,813	

FINANCIAL POSITION	**June 30 2007**	Dec. 31 2006
Working capital	**305,610**	301,869
Working capital ratio	***2.9***	*2.7*
Total assets	**559,960**	572,535
Total net indebtedness	**77,851**	91,451
Long-term debt to shareholders' equity ratio	***22.4%***	*24.5%*
Book value per share	**14.97**	14.82

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 eighth 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 548 independent jobbers serving installers and collision repair centers, as well as large national chains of installers. Through its 13 distribution centres located in all of Canada's major regions, 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 Canada also operates 24 corporate stores.

• **Automotive Group USA**, of which Uni-Select USA, Inc. is a subsidiary owned 85.9% by the Company, conducts similar operations in the United States. This group currently operates 46 distribution centres and 215 corporate stores in 22 different states. This network provides it with coverage of approximately 70% of the U.S. registered vehicle fleet. Automotive Group USA serves some 1,485 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 two distribution centres, one in Quebec and the other in Alberta, along with 22 corporate stores in Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Ontario.

3. ECONOMIC CONDITIONS

Risks related to Industry and Economic Conditions
The replacement parts market depends upon new vehicle sales, but is not cyclical as vehicle repairs are not as discretionary as the purchase of a new vehicle. Nevertheless, the Heavy Duty Group is affected by external factors, such as the number of trucks in operation.

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 demands. In addition, the increase in import nameplates vehicles of Asian origin and 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 sales and profits. The Company is of the opinion that the increase in the value of the Canadian dollar over the last few years together with pressures on prices that have resulted from an increase in the availability of imported parts, have resulted in deflation in the value of replacement parts sold in Canada, and these events have had a negative impact on the sales and on the 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 more on serving its merchant members than on having a network of stores, 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 (increased product range, marketing services, financial support, etc.).

The Company's strategy of growth through acquisitions has its own risks. Nonetheless, 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.

Finally, 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 investment. 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.

5. CONSOLIDATED QUARTERLY OPERATING RESULTS

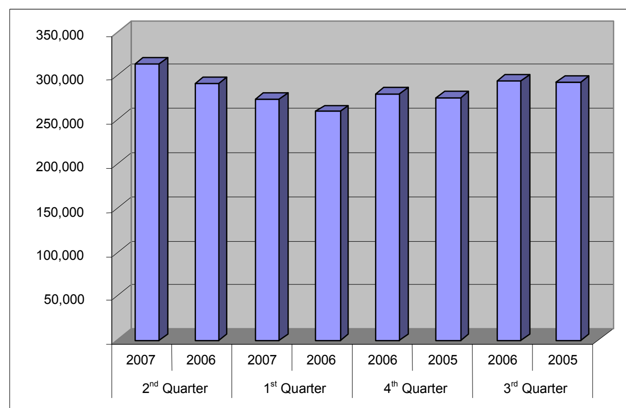
The following table summarizes the main financial information contained in the consolidated interim financial statements for each of the last eight quarters.

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

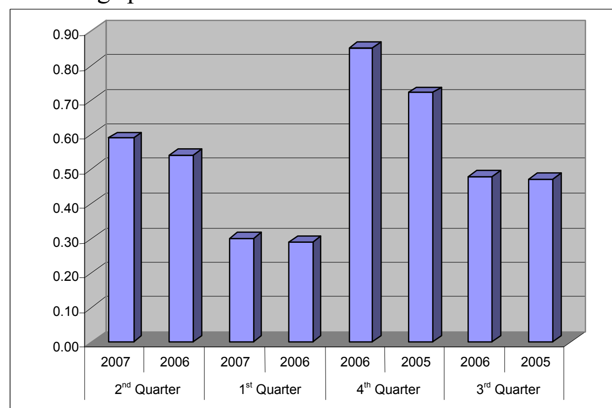
	2nd Quarter		1st Quarter		4th Quarter		3rd Quarter	
	2007	2006	2007	2006	2006	2005	2006	2005
Sales [1]	**313,258**	291,013	273,165	259,642	279,827	274,928	293,421	292,982
Operating income (EBITDA)[1]	**22,956**	20,111	13,431	12,433	30,479	24,527	18,800	17,611
EBITDA margin	*7.3%*	*6.9%*	*4.9%*	*4.8%*	*10.9%*	*8.9%*	*6.4%*	*6.0%*
Net earnings	**11,675**	10,539	5,828	5,646	16,677	14,186	9,402	9,214
Net profit margin	***3.7%***	*3.6%*	*2.1%*	*2.2%*	*6.0%*	*5.2%*	*3.2%*	*3.1%*
Earnings per share	**0.59**	0.54	0.30	0.29	0.85	0.72	0.48	0.47
Diluted earnings per share	**0.59**	0.53	0.30	0.29	0.84	0.72	0.48	0.47
Dividend per share	**0.108**	0.10	0.10	0.08	0.10	0.08	0.10	0.08

[1] Certain figures have been reclassified to reflect the application of EIC-156 in 2006. *Accounting by a vendor for consideration to a customer (including a reseller of the Vendor's products)* and according to the new presentation adopted during the course of the period.

Sales



Earnings per share



6. DISCUSSION AND ANALYSIS OF CONSOLIDATED RESULTS

(in thousands of dollars, except for percentages)

	Second Quarter			Year-to-Date		
	2007	2006	%	**2007**	2006	%
Sales	**313,258**	291,013	7.6%	**586,422**	550,655	6.5%
EBITDA	**22,956**	20,111	14.1%	**36,387**	32,545	11.8%
EBITDA margin	***7.3%***	*6.9%*		***6.2%***	*5.9%*	

QUARTERLY ANALYSIS:

Sales

The increase by 7.6% in sales in the second quarter is attributable to the following:

- Sales generated by acquisitions completed in the last quarters for a contribution of 7.2%;
- An increase in organic sales of 1.6% stemming from the three business sectors of the Company and principally due to the opening of new corporate stores as well as new branches by jobbers;

Partially offset by:

- The increase of the Canadian dollar compared to the US dollar that had a negative impact of 1.1% on sales in the quarter;
- The decrease in sales of certain national accounts due to a decrease in number of franchisees;
- Unfavorable climatic conditions resulting in delayed sales.

Operating Income

The improvement of the EBITDA margin to 7.3% is mainly due to the following factors:

- The added contribution, since June 1st, 2006, of 100% of the results of Uni-Select Prairies Inc. (previously a joint venture recorded at 50%);
- The achievement of synergies resulting from the latest acquisitions and action plans implemented in the USA;
- A larger proportion of sales to installers, for which the margin is higher;
- Improved buying conditions;

Offset by:

- Accounting for the operating expenses of its subsidiary, Uni-Select Prairies Inc. at 100% since June 1, 2006;
- An increase in operating expenses resulting notably from higher distribution costs to serve installers;
- Pressure on the gross margin caused by increased competition and deflation in certain product lines;
- An increase in delivery expenses due to increased fuel prices.

YEAR-TO-DATE ANALYSIS:

Sales

The 6.5% increase for the first six months of the year is explained as follows:

- Sales generated by acquisitions completed in the last quarters for a contribution of 7.7%;
- The launching of new points of sale through the opening of new corporate stores as well as new branches opened by our jobbers;

Partially offset by:

- A decrease in organic sales by 1.0% due to, among other things, the decrease in sales to certain national accounts as a result of a decrease in number of franchisees and changes in the purchasing in habits of a large customer in South Western USA;
- The increase in the value of the Canadian dollar compared to the US dollar that had a negative impact of 0.2% on sales in the period;
- Unfavorable climatic conditions resulting in delayed sales.

Operating Income

The improvement of the EBITDA margin to 6.2% is mainly due to the following factors:

- The added contribution, since June 1st, 2006, of 100% of the results of Uni-Select Prairies Inc. (previously a joint venture recorded at 50%);
- The achievement of synergies resulting from the latest acquisitions and action plans put into place during the course of the year in Automotive Group USA;
- A larger proportion of sales to installers, for which the margin is higher;
- Improved buying conditions;

Offset by:

- Accounting for the operating expenses of its subsidiary, Uni-Select Prairies Inc. at 100% since June 1, 2006;
- An increase in operating expenses resulting notably from increased distribution costs to serve installers;
- Non-recurring costs for the consolidation of distribution activities in Ontario and the continued implementation of the WMS in Edmonton for $596;
- An increase in delivery expenses due to increased fuel prices.

7. DISCUSSION AND ANALYSIS OF SEGMENTED RESULTS

7.1 Automotive Group USA

(in thousands of dollars, except for percentages)

	Second Quarter			Year-to-Date		
	2007	2006	**%**	**2007**	2006	**%**
Saless	**158,814**	144,123	10.2%	**307,351**	278,477	10.4%
EBITDA	**10,526**	9,582	9.9%	**18,456**	16,639	10.9%
EBITDA margin	***6.6%***	*6.6%*		***6.0%***	*6.0%*	

QUARTERLY ANALYSIS:

Sales

Automotive Group USA realized a 10.2% increase in 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 last quarters representing a 11.6% increase;
- The opening of corporate stores in regions where the Company was not formerly present;

In part offset by:

- The unfavourable impact of the exchange rate between Canadian and American currencies resulting in a reduction of sales recorded in CAD $ by 2.2%;
- Unfavourable weather in the South Western region.

Operating Income

The EBITDA margin of Automotive Group USA was stable at 6.6% for the following reasons:

- 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;
- Improved buying conditions as well as the margin on invoicing in all regions and the favourable impact of the closure of non-profitable corporate stores in certain regions with lesser potential;

In part offset by:

- An increase in operating expenses essentially caused by the higher distribution costs to serve the installers;
- An increase in delivery costs at the stores level due to increased fuel costs. Delivery routes are currently under review to improve efficiency;
- Increase bad debt reserves to provide for the current economic situation.

YEAR-TO-DATE ANALYSIS:

Sales

Automotive Group USA's increased by 10.4% compared to those of the corresponding period of the previous year. This increase is explained as follows:

- The increase of sales generated through acquisitions completed during the course of the last quarters representing a 12.0 % increase in sales;

In part offset by:

- The unfavourable impact of the exchange rate between Canadian and American currencies resulting in a reduction of sales recorded in CAD $ by 0.5%;
- The change in purchasing habits of a major customer in South Western USA;
- Unfavourable weather in several regions.

Operating Income

The same trends as those observed in the current quarter being applicable, the EBITDA margin of Automotive Group USA remained at 6.0% for the six-month period.

7.2 Automotive Group Canada

(in thousands of dollars, except for percentages)

	Second Quarter			Year-to-Date		
	2007	2006	**%**	**2007**	2006	**%**
Sales	**139,385**	131,531	6.0%	**250,217**	241,356	3.7%
EBITDA	**13,087**	11,331	15.5%	**19,736**	17,376	13.6%
EBITDA margin	***9.4%***	*8.6%*		***7.9%***	*7.2%*	

QUARTERLY ANALYSIS:

Sales

Automotive Group Canada's sales increased by 6.0% over those of the corresponding quarter of the previous year. This situation is principally due as a result of:

- Organic growth of 2.0% explained by, among other things, the opening of new branches by certain jobbers in Atlantic and Pacific Canada;
- Purchase of jobbers during the course of past and current quarters, in support of the succession and partnership programs of the Company;
- The contribution of 100% of the results of Uni-Select Prairies Inc. (previously a joint venture recorded at 50% until June 1st, 2006) ;
- The transfer of certain automotive activities from the Heavy Duty Group during the course of the third quarter of 2006;

In part offset by:

- Decreased sales from national accounts partly as a result of a decrease in the number of its franchisees;
- Increased competition at the corporate store level in Ontario;
- The changeover of product lines for a large customer in the Prairies;
- Deflation affecting certain product lines.

Operating Income

The contribution of Automotive Group Canada in the second quarter increased by 0.8%. The improvement of the EBITDA margin is explained by the following factors:

- A higher gross margin due to:
  - The recording of Uni-Select Prairies Inc.'s results at 100% (previously a joint venture recorded at 50% until June 1st, 2006);
  - A larger proportion of sales to installers resulting from the acquisition of stores;
  - Improved buying conditions;

In part offset by:

- The increase in operating expenses pursuant to:
  - The recording of Uni-Select Prairies Inc.'s operating results at 100%;
  - Increased operating costs to serve installers;
- Pressure on gross margin resulting from deflation on certain product lines.

YEAR-TO-DATE ANALYSIS:

Sales

Automotive Group Canada's sales increased by 3.7% over those of the corresponding period of the previous year. This situation is principally due as a result of:

- Purchase of jobbers during the course of past and current quarters, in support of the succession and partnership programs of the Company;
- The contribution of 100% of the results of Uni-Select Prairies Inc. (previously a joint venture recorded at 50% until June 1st, 2006);
- The transfer of certain automotive activities from the Heavy Duty Group during the course of the third quarter of 2006;

In part offset by:

- Decreased sales from national accounts partially as a result of a decrease in the number of its franchisees;
- Increased competition at the corporate store level in Ontario;
- The changeover of product lines for a large customer in the Prairies;
- Deflation affecting certain product lines.

Operating Income

The contribution of Automotive Group Canada in the first six months of the year improved by 0.7%. The same trends as the current quarter prevail, added to this the non-recurring costs for the consolidation of distribution activities in Ontario as well as the continued implementation of the warehouse management system in Edmonton.

7.3 Heavy Duty Group

(in thousands of dollars, except for percentages)

	Second Quarter			Year-to-Date		
	2007	2006	%	**2007**	2006	%
Sales	**15,059**	15,359	(2.0%)	**28,854**	30,822	(6.4%)
EBITDA	**(657)**	(802)	18.1%	**(1,805)**	(1,470)	(22.8%)
EBITDA margin	***(4.4%)***	*(5.2%)*		***(6.3%)***	*(4.8%)*	

QUARTERLY ANALYSIS:

Sales

A 2.0% decrease in sales for the Heavy Duty Group compared to the same quarter a year earlier is principally due to the transfer of certain activities to Automotive Group Canada in September 2006 representing a 7.1% decrease for the quarter. Excluding this transfer, 2007 sales would have been 5.1% over those of the second quarter in 2006, principally due to the returns recorded from a large customer in 2006.

Operating Income

The Heavy Duty Group recorded a negative margin of 4.4%, compared to a negative margin of 5.2% for the corresponding period in 2006. The improvement to the operating margin stems mainly from the continued review of the price structure program and cost controls implemented at the end of the preceding quarter.

YEAR-TO-DATE ANALYSIS:

Sales

A 6.4% decrease in sales for the Heavy Duty Group compared to the same period a year earlier is principally due to the transfer of certain activities to Automotive Group Canada in September 2006 representing a 7.0% decrease for the period. Excluding this transfer, 2007 sales would have been 0.6% over those of the same period in 2006.

Operating Income

The Heavy Duty Group recorded a negative margin of 6.3%, compared to a negative margin of 4.8% for the corresponding period in 2006. The deterioration of the operating margin stems mainly from the fact that operating expenses being for the large part semi-variable, they could not be proportionately reduced with decreasing sales levels.

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

(in thousands of dollars, except for percentages)

	Second Quarter			Year-to-Date		
	2007	2006	**%**	**2007**	2006	**%**
Interest	**1,436**	766	87.5%	**2,802**	1,484	88.8%
Amortization	**2,364**	1,773	33.3%	**4,640**	3,914	18.5%
Income taxes	**6,656**	6,214	7.1%	**10,004**	9,552	4.7%
Tax rates	***34.7%***	*35.4%*		***34.6%***	*35.2%*	

8.1 Interests

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

- A $623 increase for the quarter ($1,130 year-to-date) in interest expense on bank debt 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 in 2006 and the beginning of 2007 combined with an increase in interest rates;

- Interest on long term debt remained relatively stable during the course of the second quarter to record a slight increase of $29 ($161 year-to-date), the increase in interest rates being offset in part by the increase of the Canadian dollar.

8.2 Amortization

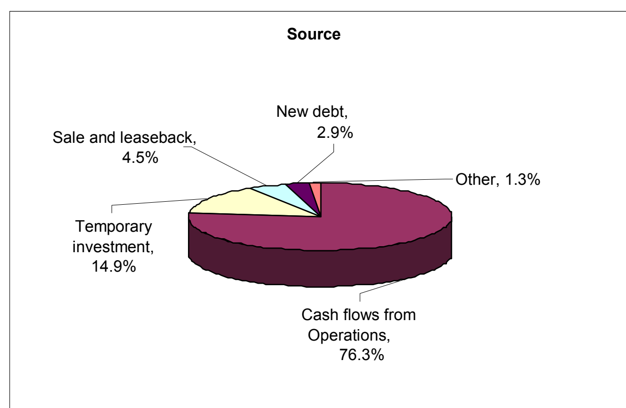
The increase in amortization expenses by 33.3% in the second quarter (18.5% year-to-date) is due to the acquisition of businesses in 2006 and during the course of the current period as well as to the acquisition of significant fixed assets in 2006, principally for the modernization of management systems.

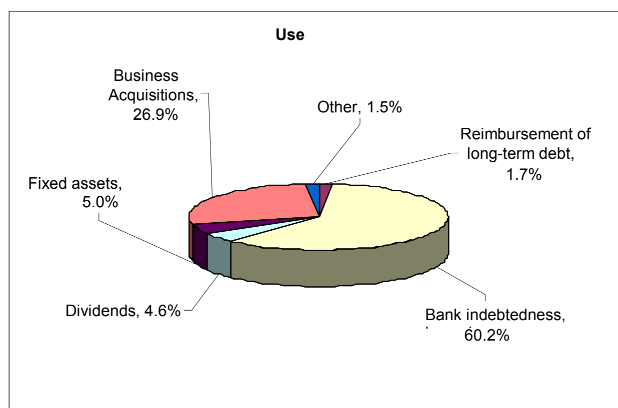
8.3 Income Taxes

In the second quarter of 2007, the effective tax rate decreased by 0.7% compared to the corresponding quarter in 2006 (0.6% year-to-date). The decrease in the tax rate is largely explained by the geographical attribution of profit before taxes.

9. CASH FLOWS

The following graphs depict the main source and use of funds:





The following table summarizes cash flows.

(in thousands of dollars)

	Second Quarter		Year-to-Date	
	2007	2006	**2007**	2006
Cash flows generated by operations before working capital items	**13,810**	12,719	**22,396**	21,642
Working capital items	**21,475**	15,941	**75**	10,681
Operating activities	**35,285**	28,660	**22,471**	32,503
Investing activities	**(5,577)**	(52,558)	**(5,058)**	(53,166)
Financing activities	**(29,767)**	10,580	**(18,329)**	9,272
Changes in cash and cash equivalents	**(59)**	(13,318)	**(916)**	(11,391)

9.1 Cash Flows from Operating Activities

The variation in cash flows of $21,475 on working capital items is explained by seasonal effects and improved inventory management.

Year-to-date, the $75 variation is explained by better inventory management and a positive seasonal effect. These variations were offset by the payment of income taxes due for last year.

9.2 Cash Flows from Investing Activities

The main investing activities in the second quarter were the following:

- In order to pursue its expansion, the Company used $12,459 in cash in the quarter ($16,056 year-to-date) for the acquisition of some assets and liabilities in the US and Canada. For further details, please refer to the complementary notes to the quarterly financial statements;

- The Company cashed in a temporary investment valued at $6,897 which came to term in April;

- The Company purchased fixed assets for $2,332 in the quarter ($3,987 year-to-date). These purchases will allow, amongst other things, to pursue the modernization of the management systems as well as the integration of various companies acquired during the course of recent quarters;

- The transfer of assets for $2,104 for the quarter ($7,556 year-to-date) is mainly due to the sale and leaseback of the Memphis warehouse in order to optimize the asset base, as a result of which Uni-Select recorded a deferred gain of $1,015 which will be amortized over the course of the lease. Year-to-date, disposal of fixed assets, aside from that which mentioned above, the sale and leaseback of the Mason City warehouse.

9.3 Cash Flows used in Financing Activities

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

- The reimbursement of bank indebtedness for $27,847 during the quarter ($13,888 year-to-date). This debt had been used largely to finance acquisitions in Canada and the US as well as the increase in working capital items resulting therefrom;
- The payment of dividends for $2,119 for the quarter ($4,089 year-to-date) to holders of common shares, being $0.1075 per share for the quarter ($0.2075 year-to-date), compared to $0.10 in 2006 ($0.18 year-to-date), representing a 7.5% increase for the quarter (15.3% year-to-date);

Considering the total cash flows for the second quarter of 2007, cash and cash equivalents of the Company decreased by $59 ($916 year-to-date) for a total of $214 as at June 30, 2007.

10. FINANCIAL POSITION

Analysis of the main items of the consolidated balance sheet.

(in thousands of dollars)

	June 30 2007	Dec. 31 2006	Variance	Impact from acquisitions	Residual amount	Explanation for remaining variances
Working capital items	**305,610**	301,869	3,741	(13,610)	(9,869)	The increase is a result of improved inventory management and the fluctuation of the exchange rate.
Investments	**6,951**	6,575	376	-	376	New advances to merchant members were superior to the reimbursement of advances, principally in the United States.
Fixed assets	**35,998**	41,714	(5,716)	(763)	(6,479)	Explained mainly by the sale and leaseback of the Mason City and Memphis warehouse for $4,343 (refer to the cash flows analysis), by the amortization of $4,366, by acquisitions during the period of $3,987 and by the fluctuation of the exchange rate.
Goodwill	**45,639**	44,257	1,382	(3,102)	(1,720)	Principally explained by the fluctuation of the exchange rate.

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, mergers, strategic alliances, affiliations and partnerships, purchase of property, plant and equipment (approximately $12,000 planned for 2007 mainly for the development of information systems) and the payment of dividends in keeping with its policy.

As at June 30, 2007, the Company has $138,000 in unused credit facilities available for its development ($129,000 as at December 31, 2006).

The Company has long-term credit facilities in place in the total amount of $165M, which expires no earlier than October 2010.

11.1 Indebtedness

(in thousands of dollars except for percentages)

	June 30 2007	Dec. 31 2006	%
Shareholders' equity	**295,370**	291,933	1.2%
Total net indebtedness	**77,851**	91,451	(14.9%)
Total net debt to total invested capital ratio	***20.9%***	*23.9%*	
Total long-term debt to shareholders' equity ratio	***22.4%***	*24.5%*	

The decrease is essentially due to an improvement in the working capital partially offset by the cash outlay required to fund the acquisition of businesses over the first six month period of 2007. Uni-Select benefits from a solid financial position to pursue its current operations and expansion projects.

11.2 Capital stock

(in thousands of shares)

	Second Quarter		Year-to-Date	
	2007	2006	**2007**	2006
Number of shares issued and outstanding	**19,737**	19,699	**19,737**	19,699
Weighted average number of outstanding shares	**19,726**	19,668	**19,719**	19,650

For the second quarter, 11,404 shares (37,224 shares year-to-date) were issued essentially upon the exercise of stock options by management. The share dilution takes into account the eventual exercise of share options held by management.

As at August 7, 2007, the Company's capital stock consists of 19,736,558 issued and outstanding shares and options to purchase 51,928 shares are outstanding but not exercised.

12. CHANGES IN ACCOUNTING POLICIES

Financial Instruments, Hedges, Comprehensive Income and Shareholders Equity

On January 1, 2007, in accordance with the applicable transitional provisions, the Company retroactively adopted, without restatement of prior periods, the new recommendations of CICA Handbook included in Section 3855 Financial Instruments - Recognition and Measurement, 3865 Hedges, 1530 Comprehensive Income, 3861 Financial Instruments - Disclosure and Presentation and 3251 Equity. Sections 3855 and 3861 establish standards for the classification, recognition, measurement and identification of information that should be disclosed about financial instruments (including derivatives) and non-financial derivatives in financial statements. Section 3865 describes when and how hedge accounting may be applied. Section 1530 establishes standards for reporting and display of comprehensive income and its components including net income and accumulated other comprehensive income and Section 3251 establishes standards for the presentation of equity and changes in equity during the reporting period.

As stipulated in Section 3855 - Financial Instruments - Recognition and Measurement, the Company elected to apply hedge accounting on an interest rate swap as a cash flow hedge. This derivative is measured at fair value at the end of each period and the gains or losses resulting from remeasurement are recognized in other comprehensive income when the hedge is deemed effective. Any ineffective portion is recognized in net income.

The adjustments related to the adoption of the new standards described above translated into an increase of balance sheet accounts as of January 1, 2007 as follows:

Derivative financial instrument	$254
Current future income taxes	81
Accumulated other comprehensive income	173

Accounting Changes

On January 1, 2007, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of CICA Handbook included in Section 1506, Accounting Changes. Section 1506 establishes standards for disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.

13. FUTURE ACCOUNTING CHANGES

Financial Instruments – Disclosures

In December 2006, CICA issued Section 3862, Financial Instruments - Disclosures. This Section applies to fiscal years beginning on or after October 1, 2007. It describes the required disclosures related to the significance of financial instruments on the entity's financial position and performance and the nature and extent of risks arising for financial instruments to which the entity is exposed and how the entity manages those risks. This Section complements the principles of recognition, measurement and presentation of financial instruments of Sections 3855 Financial Instruments - Recognition and Measurement, 3863 Financial instruments - Presentation and 3865 Hedges. The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

Financial Instruments - Presentation

In December 2006, CICA issued Section 3863 Financial Instruments - Presentation. This Section applies to fiscal years beginning on or after October 1, 2007. It establishes standards for presentation of financial instruments and non-financial derivatives. It complements standards of Section 3861 Financial Instruments - Disclosure and Presentation. The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

Capital Disclosures

In December 2006, CICA issued Section 1535 Capital Disclosures. This Section applies to fiscal years beginning on or after October 1, 2007. It establishes standards for disclosing information about an entity's capital and how it is managed to enable users of financial statements to evaluate the entity's objectives, policies and procedures for managing capital. The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

Inventories

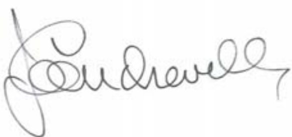
In June 2007, the CICA issued Section 3031, Inventories. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The new standard provides guidance on the determination of cost and requires inventories to be measured at the lower of cost and net realizable value. The Company is currently evaluating the impact of adopting this standard on our 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 June 30, 2007 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 three business segments of the Company enjoyed positive organic growth in an ever-competitive market. During the second half of 2007, the Company will continue with both its sales efforts and cost controls. Furthermore, management is examining various expansion projects and is confident that value-creating acquisitions will be concluded in 2007. The Company is evolving in a fragmented market where opportunities abound. Lastly, the variation in the exchange rate between Canadian and American currencies has also affected the US sales and profits which the Company records in Canadian dollars. At the current rate, the fluctuation of the foreign currencies will likely affect the second half of the year by an amount that is estimated at $0.04 per share. This impact, strictly accounting in nature, does not affect the confidence of the Company and management is pursuing its accelerated growth in the US.



Jacques Landreville
President and Chief Executive Officer

Denis Mathieu, CA
Vice President and Chief Financial Officer

Approved by the Audit Committee on August 6, 2007 and by the Board of Directors on August 7, 2007.

Uni-Select Inc.

Consolidated Interim Financial Statements
June 30, 2007 and 2006

Financial Statements

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Notice related to the review of interim financial statements

The consolidated interim financial statements
for the period ended June 30, 2007 have not
been reviewed by the auditors of the Company.

CONSOLIDATED EARNINGS
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006
(in thousands of dollars, except earnings per share, unaudited)

	2ND QUARTER		6 MONTHS	
	2007	**2006**	**2007**	**2006**
	$	**$**	**$**	**$**
SALES	**313,258**	291,013	**586,422**	550,655
Earnings before the following items	**22,956**	20,111	**36,387**	32,545
Interests (Note 4)	**1,436**	766	**2,802**	1,484
Amortization (Note 4)	**2,364**	1,773	**4,640**	3,914
	3,800	2,539	**7,442**	5,398
Earnings before income taxes and non-controlling interest	**19,156**	17,572	**28,945**	27,147
Income taxes				
Current	**7,658**	6,626	**11,124**	9,419
Future	**(1,002)**	(412)	**(1,120)**	133
	6,656	6,214	**10,004**	9,552
Earnings before non-controlling interest	**12,500**	11,358	**18,941**	17,595
Non-controlling interest	**825**	819	**1,438**	1,410
Net earnings	**11,675**	10,539	**17,503**	16,185
Basic earnings per share (Note 5)	**0.59**	0.54	**0.89**	0.82
Diluted earnings per share (Note 5)	**0.59**	0.53	**0.89**	0.82
Number of issued and outstanding shares	**19,736,558**	19,699,016	**19,736,558**	19,699,016

CONSOLIDATED RETAINED EARNINGS
SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006
(in thousands of dollars, unaudited)

	6 MONTHS	
	2007	**2006**
	$	**$**
Balance, beginning of period	**255,355**	220,966
Net earnings	**17,503**	16,185
	272,858	237,151
Dividends	**4,239**	3,935
Balance, end of period	**268,619**	233,216

CONSOLIDATED COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006
(in thousands of dollars, unaudited)

	2ND QUARTER		6 MONTHS	
	2007	**2006**	**2007**	**2006**
	$	**$**	**$**	**$**
Net earnings	**11,675**	10,539	**17,503**	16,185
Other comprehensive income:				
Gain on a derivative financial instrument designated as cash flow hedges prior to January 1, 2007, transferred to net earnings in the current period (net of income taxes of $22 and $42 for the three-month and the six-month periods respectively)	**(46)**	-	**(89)**	-
Unrealized losses on translating financial statements of self-sustaining foreign operations	**(9,202)**	(4,228)	**(10,439)**	(4,226)
	(9,248)	(4,228)	**(10,528)**	(4,226)
Comprehensive income for the period	**2,427**	6,311	**6,975**	11,959

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

CONSOLIDATED CASH FLOWS
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006

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

	2ND QUARTER		6 MONTHS	
	2007	**2006**	**2007**	**2006**
	$	**$**	**$**	**$**
OPERATING ACTIVITIES				
Net earnings	**11,675**	10,539	**17,503**	16,185
Non-cash items				
Amortization	**2,364**	1,773	**4,640**	3,914
Amortization of deferred gain	**(52)**	-	**(65)**	-
Future income taxes	**(1,002)**	(412)	**(1,120)**	133
Non-controlling interest	**825**	819	**1,438**	1,410
	13,810	12,719	**22,396**	21,642
Changes in working capital items	**21,475**	15,941	**75**	10,861
CASH FLOWS FROM OPERATING ACTIVITIES	**35,285**	28,660	**22,471**	32,503
INVESTING ACTIVITIES				
Temporary investments	**6,897**	4,942	**6,897**	4,942
Business acquisitions (Note 6)	**(12,459)**	(55,983)	**(16,056)**	(56,378)
Non-controlling interest	**(178)**	-	**(178)**	-
Advances to merchant members	**(511)**	(2,323)	**(1,147)**	(3,157)
Receipts on advances to merchant members	**902**	2,336	**1,857**	4,306
Fixed assets	**(2,332)**	(1,530)	**(3,987)**	(2,879)
Disposal of fixed assets	**2,104**	-	**7,556**	-
CASH FLOWS FROM INVESTING ACTIVITIES	**(5,577)**	(52,558)	**(5,058)**	(53,166)
FINANCING ACTIVITIES				
Bank indebtedness	**(27,847)**	12,367	**(13,888)**	12,270
Balance of purchase price	**(505)**	-	**(898)**	-
Long-term debt	**1,346**	328	**1,818**	900
Repayment of long-term debt	**(778)**	(698)	**(1,486)**	(1,576)
Merchant members' deposits in guarantee fund	**(25)**	(64)	**(314)**	(67)
Issuance of shares	**161**	612	**528**	1,278
Dividends paid	**(2,119)**	(1,965)	**(4,089)**	(3,533)
CASH FLOWS FROM FINANCING ACTIVITIES	**(29,767)**	10,580	**(18,329)**	9,272
Decrease in cash and cash equivalents	**(59)**	(13,318)	**(916)**	(11,391)
Cash and cash equivalents, beginning of period	**273**	21,035	**1,130**	19,108
Cash and cash equivalents, end of period	**214**	7,717	**214**	7,717
Dividends paid per share	**0.108**	0.100	**0.208**	0.180

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

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2007 AND 2006 AND DECEMBER 31, 2006

(in thousands of dollars, unaudited)

	JUNE 30, 2007	JUNE 30, 2006	DECEMBER 31, 2006
	$	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**214**	7,717	**1,130**
Temporary investment	**-**	-	**6,897**
Accounts receivable	**150,245**	147,641	**136,834**
Income taxes receivable	**7,475**	6,874	**7,398**
Inventory	**298,534**	285,780	**313,384**
Prepaid expenses	**4,959**	6,124	**4,737**
Derivative financial instrument	**123**	-	**-**
Future income taxes	**7,039**	2,742	**6,332**
	468,589	456,878	**476,712**
Investments and volume discounts receivable	**6,951**	8,189	**6,575**
Fixed assets	**35,998**	37,293	**41,714**
Financing costs	**660**	1,064	**893**
Covenants not to compete	**438**	-	**578**
Goodwill	**45,639**	35,917	**44,257**
Future income taxes	**1,685**	1,956	**1,806**
	559,960	541,297	**572,535**
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness	**12,002**	14,789	**27,860**
Accounts payable	**148,672**	157,861	**136,197**
Income taxes payable	**-**	-	**8,268**
Dividends payable	**2,120**	1,970	**1,970**
Instalments on long-term debt and on merchant members' deposits in guarantee fund	**146**	166	**529**
Future income taxes	**39**	-	**19**
	162,979	174,786	**174,843**
Deferred gain on a sale-leaseback arrangement (Note 3)	**2,650**	-	**-**
Deferred government grants	**-**	371	**-**
Long-term debt	**58,062**	61,027	**63,275**
Merchant members' deposits in guarantee funds	**7,855**	8,333	**7,814**
Future income taxes	**4,856**	4,678	**5,082**
Non-controlling interest	**28,188**	27,183	**29,588**
	264,590	276,378	**280,602**
SHAREHOLDERS' EQUITY			
Capital stock	**49,872**	49,334	**49,344**
Retained earnings	**268,619**	233,216	**255,355**
Accumulated other comprehensive income (Note 7)	**(23,121)**	(17,631)	**(12,766)**
	295,370	264,919	**291,933**
	559,960	541,297	**572,535**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006
(in thousands of dollars, except for per share amounts, unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated 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, 2006. 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, 2006. When necessary, the financial statements include amounts based on informed estimates and management's best judgements. 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, hedges, comprehensive income and equity

On January 1, 2007, in accordance with the applicable transitional provisions, the Company retroactively adopted, without restatement of prior periods, the new recommandations of CICA Handbook included in Section 3855 *Financial Instruments - Recognition and Measurement* , 3865 *Hedges* , 1530 *Comprehensive Income* , 3861 *Financial Instruments - Disclosure and Presentation* and 3251 *Equity* . Sections 3855 and 3861 establish standards for the classification, recognition, measurement and identification of information that should be disclosed about financial instruments (including derivatives) and non-financial derivatives in financial statements. Section 3865 describes when and how hedge accounting may be applied. Section 1530 establishes standards for reporting and display of comprehensive income and its components including net income and accumulated other comprehensive income and Section 3251 establishes standards for the presentation of equity and changes in equity during the reporting period.

The adoption of these new standards translated into the following changes on classification and measurement of financial instruments of the Company which were previously recorded at cost.

- Cash and cash equivalents are classified as assets held for trading. They are measured at fair value and fair value variations are accounted for in net income.

- The temporary investment is classified as held-to-maturity investment. It is measured at cost, which upon its initial measurement is equal to its fair value. Subsequent measurements are recorded at amortized cost using the effective interest method less impairment.

- Accounts receivable, investments and volume discounts receivable are classified as loans and receivables. Accounts receivable are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost, which is generally equal to the initial measurement less allowance for doubtful accounts. Investments and volume discounts receivable are recorded at cost, which upon their initial measurement is equal to its fair value. Subsequent measurements are recorded at amortized cost using the effective interest method less impairment.

- Bank indebtedness, accounts payable, dividends payable, long-term debt and merchant members' deposits in guarantee fund are classified as other financial liabilities. They are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using effective interest method.

- As stipulated in Section 3855 - *Financial Instruments - Recognition and Measurement* , the Company elected to apply hedge accounting on an interest rate swap as cash flow hedge. This derivative is measured at fair value at the end of each period and the gains or losses resulting from remeasurement are recognized in other comprehensive income when the hedge is deemed effective. Any ineffective portion is recognized in net income.

The adjustments related to the adoption of the new standards described above translated into an increase of balance sheet accounts as of January 1, 2007 as follows:

Derivative financial instrument	$254
Current future income taxes	81
Accumulated other comprehensive income	173

Accounting changes (Note 11)

On January 1, 2007, in accordance with the applicable transitional provisions, the Company adopted the new recommandations of CICA Handbook included in Section 1506, *Accounting Changes* . Section 1506 establishes standards for disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.

3. ACCOUNTING POLICIES

Deferred gain on a sale-leaseback arrangement
This gain is amortized on a straight-line basis over the lease term.

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

4. INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENT OF EARNINGS

	2ND QUARTER		6 MONTHS	
Interests	**2007**	**2006**	**2007**	**2006**
	$	**$**	**$**	**$**
Interests on bank indebtedness	**730**	202	**1,233**	334
Interests on long-term debt	**961**	932	**1,972**	1,811
Interests on merchant members' deposits in guarantee funds	**102**	79	**206**	156
Interest income on cash and cash equivalents	**(244)**	(339)	**(377)**	(608)
Interest income from merchant members	**(113)**	(108)	**(232)**	(209)
	1,436	766	**2,802**	1,484
Amortization				
Amortization of fixed assets	**2,238**	1,674	**4,366**	3,694
Amortization of other assets	**126**	99	**274**	220
	2,364	1,773	**4,640**	3,914

5. EARNINGS PER SHARE

The following table presents a reconciliation of basic and diluted earnings per share:

	2ND QUARTER					
	2007			**2006**		
	Net earnings	Weighted average number of shares	Earnings per share	Net earnings	Weighted average number of shares	Earnings per share
	$		$	$		$
Basic earnings per share	11,675	19,725,562	0.59	10,539	19,667,649	0.54
Impact of stock options exercised		33,484			68,976	
Diluted earnings per share	11,675	19,759,046	0.59	10,539	19,736,625	0.53

	6 MONTHS					
	2007			**2006**		
	Net earnings	Weighted average number of shares	Earnings per share	Net earnings	Weighted average number of shares	Earnings per share
	$		$	$		$
Basic earnings per share	17,503	19,718,736	0.89	16,185	19,649,813	0.82
Impact of stock options exercised		36,647			76,798	
Diluted earnings per share	17,503	19,755,383	0.89	16,185	19,726,611	0.82

6. BUSINESS ACQUISITIONS

Thompson & Company, Inc. and MGT, Inc.

On April 2, 2007, the Company acquired the assets of Thompson & Company, Inc. and MGT Inc. These companies operate one distribution center and nine stores in the Automotive USA segment.

In addition, during the year 2007, the Company acquired the assets and assumed a portion of the liabilities of five companies operating in the Automotive USA segment and three companies in the Automotive Canada segment as well as the shares of one company in the Automotive Canada segment.

In addition, the Company increased its interest by 1.92 % in its joint venture, Uni-Select Pacific Inc.. Following this transaction, the interest of the Company in its joint venture increased to 65.38 %.

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

The following purchase price allocation is preliminary and is subject to changes based on the finalization of acquired assets' valuation and on the final determination of direct costs associated with the transaction.

	Thompson & Company Inc. and MGT, Inc.	Other	Total
	$	$	$
Current assets	6,935	8,020	14,955
Fixed assets	205	557	762
Other long-term assets	–	8	8
Goodwill	1,156	1,946	3,102
Assumed current liabilities	–	(1,507)	(1,507)
Assumed long-term liabilities	–	(95)	(95)
	8,296	8,929	17,225
Settlement of accounts receivable of companies acquired	–	(625)	(625)
Balance of purchase price payable	–	(544)	(544)
Total consideration paid	**8,296**	**7,760**	**16,056**

Uni-Select USA Inc.

The Company acquired a non-controlling interest for a cash consideration of $178. Following this acquisition, the Company's interest in its U.S. subsidiary increased by 0.09%, from 85.86% to 85.95%.

7. ACCUMULATED OTHER COMPREHENSIVE INCOME

	JUNE 30, 2007	DECEMBER 31, 2006
	$	$
Balance, beginning of period	**–**	–
Unrealized losses on translation of financial statements of self-sustaining foreign operations	**(12,766)**	(13,405)
Cumulative impact of accounting changes relating to financial instruments (net of income taxes of $81) (Note 2)	**173**	–
Adjusted balance, beginning of period	**(12,593)**	(13,405)
Other comprehensive income for the period	**(10,528)**	639
Balance, end of period	**(23,121)**	(12,766)

8. EMPLOYEE FUTURE BENEFITS

As at June 30, 2007, the Company's pension plans are defined benefit and defined contributions plans.

For the three-month period ended June 30, 2007, the total expense for the defined contribution pension plans was $520 ($331 in 2006) and $602 ($518 in 2006) for the defined benefit pension plans.

For the six-month period ended June 30, 2007, the total expense for the defined contribution pension plans was $911 ($629 in 2006) and $1,205 ($1,023 in 2006) for the defined benefit pension plans.

9. GUARANTEES

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 cost of the inventories for a maximum amount of $64,618 ($68,286 as at December 31, 2006). In the event of proceedings, the inventories would be liquidated in the normal course of the Company's business. These agreements are for an undetermined period of time. In management's opinion, the likelihood of major payments being made and losses being incurred is low, since the value of the assets held in guarantee is significantly higher than the Company's commitments.

As at June 30, 2007, the Company was contingently liable for letters of credit issued in the aggregate amount of $5,040 ($5,118 in 2006).

10. SEGMENTED INFORMATION

	2ND QUARTER							
	Automotive Canada		Automotive USA		Heavy Duty		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	$	$	**$**	$	**$**	$	**$**	$
Sales	**139,385**	131,531	**158,814**	144,123	**15,059**	15,359	**313,258**	291,013
Earnings before interests, amortization, income taxes and non-controlling interest	**13,087**	11,331	**10,526**	9,582	**(657)**	(802)	**22,956**	20,111
Assets	**229,451**	233,111	**295,460**	266,544	**35,049**	41,642	**559,960**	541,297
Acquisition of fixed assets	**1,505**	1,679	**1,284**	2,247	**53**	48	**2,842**	3,974
Acquisition of goodwill	**1,078**	13,426	**1,157**	4,709	-	-	**2,235**	18,135

	6 MONTHS							
	Automotive Canada		Automotive USA		Heavy Duty		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	$	$	**$**	$	**$**	$	**$**	$
SALES	**250,217**	241,356	**307,351**	278,477	**28,854**	30,822	**586,422**	550,655
Earnings before interest, amortization, income taxes and non-controlling interest	**19,736**	17,376	**18,456**	16,639	**(1,805)**	(1,470)	**36,387**	32,545
Assets	**229,451**	233,111	**295,460**	266,544	**35,049**	41,642	**559,960**	541,297
Acquisition of fixed assets	**1,928**	2,303	**2,762**	2,937	**59**	106	**4,749**	5,346
Acquisition of goodwill	**1,506**	13,426	**1,596**	4,709	-	-	**3,102**	18,135

The Automotive USA segment includes fixed assets for an amount of $12,574 ($15,623 as at June 30, 2006) and goodwill for an amount of $17,784 ($10,706 as at June 30, 2006).

11. FUTURE ACCOUNTING CHANGES

Financial Instruments - Disclosures

In December 2006, CICA issued Section 3862, *Financial Instruments - Disclosures* . This Section applies to fiscal years beginning on or after October 1, 2007. It describes the required disclosures related to the significance of financial instruments on the entity's financial position and performance and the nature and extent of risks arising for financial instruments to which the entity is exposed and how the entity manages those risks. This Section complements the principles of recognition, measurement and presentation of financial instruments of Sections 3855 *Financial Instruments - Recognition and Measurement* , 3863 *Financial instruments - Presentation* and 3865 *Hedges* . The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

Financial Instruments - Presentation

In December 2006, CICA issued Section 3863 *Financial Instruments - Presentation* . This Section applies to fiscal years beginning on or after October 1, 2007. It establishes standards for presentation of financial instruments and non-financial derivatives. It complements standards of Section 3861 *Financial Instruments - Disclosure and Presentation* . The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

Capital Disclosures

In December 2006, CICA issued Section 1535 *Capital Disclosures* . This Section applies to fiscal years beginning on or after October 1, 2007. It establishes standards for disclosing information about an entity's capital and how it is managed to enable users of financial statements to evaluate the entity's objectives, policies and procedures for managing capital. The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

Inventory

In June 2007, CICA issued Section 3031 *Inventories* . This Section applies to fiscal years beginning on or after January 1, 2008. It is providing guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to the net realizable value as well as on the cost formulas that are used to assign costs to inventories. The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.