CONSOLIDATED INTERIM REPORT

3rd QUARTER, PERIOD ENDED SEPTEMBER 30, 2010

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INTRODUCTION

This Management Report on the operating results and cash flows of the Company for the period ended September 30, 2010 compared to the period ended September 30, 2009 and on its financial position as at September 30, 2010 compared with its position as at December 31, 2009 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 November 10, 2010, 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, 2009 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 September 30, 2010 have not been reviewed by the auditors of the Company.

SUMMARY

Uni-Select recorded sales of $348,605 for the third quarter of 2010. Excluding the negative effect of the foreign exchange rate and sales of stores, an organic growth of near 2% has been recorded. This sales increase is the result of efforts made to improve jobbers loyalty, the contribution of national accounts and the increase in direct sales.

Excluding the negative effect of the foreign exchange rate, adjusted net earnings for the third quarter would have been $14,939 ($0.76 per share) compared to $14,096 ($0.71 per share) in 2009.

1. FINANCIAL HIGHLIGHTS OF THE THIRD QUARTER (related to continuing operations)

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

	3rd quarter ended			Nine-month period ended		
	Sept. 30, 2010	Sept. 30, 2009	%	**Sept. 30, 2010**	Sept. 30, 2009	%
Sales	**348,605**	359,326	(3.0%)	**1,014,319**	1,094,241	(7.3%)
Adjusted operating income from continuing operations	**26,263**	28,830	(8.9%)	**67,676**	81,307	(16.8%)
Adjusted operating profit margin from continuing operations	***7.5%***	*8.0%*		***6.7%***	*7.4%*	
Operating income from continuing operations	**24,110**	27,159	(11.2%)	**63,128**	79,636	(20.7%)
Adjusted earnings from continuing operations	**14,587**	14,096	3.5%	**38,482**	39,119	(1.6%)
Earnings from continuing operations	**13,204**	13,018	1.4%	**35,542**	38,041	(6.6%)
Net earnings	**13,204**	7,901	67.1%	**35,542**	31,322	13.5%
COMMON SHARE DATA						
Adjusted earnings from continuing operations	**0.74**	0.71		**1.95**	1.98	
Earnings from continuing operations	**0.67**	0.66		**1.80**	1.93	
Net earnings	**0.67**	0.40		**1.80**	1.59	
Dividend	**0.117**	0.117		**0.350**	0.342	
Number of shares issued at the end of the period	**19,709,237**	19,714,128		**19,709,237**	19,714,128	
Weigthed average number of outstanding shares	**19,720,159**	19,714,128		**19,719,632**	19,707,862	

FINANCIAL POSITION	**Sept. 30, 2010**	Dec. 31. 2009
Working capital	**398,228**	395,362
Total assets	**801,386**	775,657
Total net indebtedness	**178,712**	170,079
Shareholders' equity	**398,015**	372,918
Long-term debt / equity	***46.3%***	*50.0%*
Total net debt / invested capital	**31.0%**	31.3%
Funded debt on EBITDA from continuing operations	**2.46**	1.92
Return on average shareholders' equity from continuing operations	**10.6%**	11.6%
Return on average shareholders' equity	**11.1%**	10.3%
Book value	**20.18**	18.91

The activities for the third quarter of 2010 and the nine-month period ended as at September 30, 2010 are in line with the strategic plan of the Company as illustrated by the various initiatives undertaken in 2009 and 2010:

- ***Following the refocusing on its automotive operations***, the Company thought it would be wise to reorganize the operating structure in order to implement its five-year strategic plan even more effectively. The new organizational structure does away with the boundaries between Canada and the United States, creating two divisions based on the very nature of its customers. Both the "Jobbers and Major Accounts" and the "Corporate Stores" new divisions will aim to develop their respective growth platforms, which should be a source of organic growth for the Company. The Company holds the view that these two divisions are closely linked, since one is responsible for supplying the other. Any attempt to separate the results would lead to arbitrary allocations that would cause the reader's eventual judgment to deviate from reality. This announcement, made in January, brings about a change in the presentation and analysis of results, which are now reported on a consolidated basis.
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Impacts – Third quarter	*Impacts – Year to date*
• ***The repurchase of the minority shareholders*** of Uni-Select USA in the fourth quarter of 2009 had a positive impact:	
- $1,107 or $0.06 per share	- $3,007 or $0.15 per share
• ***The sale of stores*** in Canada;	
- No sales	- 2 stores sold
• ***The closing of unprofitable or low potential stores*** in the United States :	
- 3 stores closed	- 8 stores closed
• ***The development of an enterprise resource planning system*** continues.	
- $8,586 in capital expenditures and $1,597 in operating expenses were incurred	- $24,970 in capital expenditures and $3,992 in operating expenses were incurred
• ***The new financing structure*** has allowed a decrease, as forecasted, in the consolidated tax rate for the third quarter and year to date.	
- ***28.9% consolidated tax rate vs 34.7%***	- ***25.9% consolidated tax rate vs 33.9%***
• ***The disposal of assets of the Heavy Duty Group during the third quarter of 2009*** led to a non recurring loss from discontinued operations in 2009:	
- $0.26 per share	- $0.34 per share

2. PROFILE AND DESCRIPTION

A KEY INDUSTRY PLAYER

Uni-Select, founded in 1968, is a major distributor of replacement parts, equipment, tools and accessories for motor vehicles in North America. Uni-Select is the Canadian leader and ranks seventh among North American distributors. With its 65 distribution centres, 268 stores and around 4,800 employees, Uni-Select constitutes one of the largest networks of independent automotive parts wholesalers, with nearly 2,500 jobbers and 3,500 points of sale.

The Company plays an essential role in connecting automotive parts manufacturers with the jobbers and installers that form its customer base. With access to more than one million automotive parts and accessories, Uni-Select provides efficient management of the supply chain, maintaining a constant inventory of more than 350,000 different part numbers to meet its clients' needs.

Uni-Select stands apart from the competition with a business model characterized by a focus on, and the delivery of, flexible solutions for independent jobbers and installers. Independent jobbers and Uni-Select clients are supplied with national brand-name products according to their needs by means of mixed direct access from suppliers or Uni-Select warehouses strategically located throughout North America. Uni-Select is aware that each client is operating a business, and it maintains partner-type relationships with them aimed at ensuring their success. The Company thus offers them "*on a menu basis*" that lets them pay only for the programs and resources they require. In this way it helps them meet their development and growth goals, whether this involves marketing programs, banners or inventory and order-management programs. Uni-Select also offers its client succession programs to facilitate a timely transition of their business.

3. EXCHANGE RATE DATA

The following table sets forth information about exchange rates based upon rates expressed as Canadian dollars per US$1.00.

	Third quarter ended as at		Nine-month period ended as at	
	Sept. 30, 2010	Sept. 30 2009	**Sept. 30, 2010**	Sept. 30, 2009
Average for the period	**1.04**	1.10	**1.04**	1.17
			Sept. 30, 2010	Sept. 30, 2009
Period end			**1.03**	1.07

As the Company uses the Canadian dollar as its reporting currency, in its consolidated financial statements and in this document, unless otherwise indicated, results from its US operations are translated into Canadian dollars using the average rate for the period. Variances and explanations related to fluctuations in the foreign exchange rate and the volatility of the Canadian dollar which are discussed in this document are therefore related to the translation in Canadian dollars of the Company's US operations' results and do not have an economic impact on its performance since most of the Company's consolidated revenues and expenses are received or denominated in the functional currency of the markets in which it does business. Accordingly, the sensitivity of the Company's results to variations in foreign exchange rates is economically limited.

4. ANALYSIS OF RESULTS

ANALYSIS OF CONSOLIDATED RESULTS (from continuing operations)

(in thousands of dollars, except for percentage)

	Third quarter			Year to date		
	2010	2009	**%**	**2010**	2009	**%**
Sales						
United States	**212,900**	220,131	(3.3%)	**622,226**	694,608	(10.4%)
Canada	**135,705**	139,105	(2.4%)	**392,093**	399,633	(1.9%)
	348,605	359,236	(3.0%)	**1,014,319**	1,094,241	(7.3%)
EBITDA	**24,110**	27,159	(11.2%)	**63,128**	79,636	(20.7%)
EBITDA margin	***6.9%***	*7.6%*		***6.2%***	*7.3%*	
Non-recurring items [A]	**2,153**	1,671		**4,548**	1,671	
Adjusted EBITDA	**26,263**	28,830	(8.9%)	**67,676**	81,307	(16.8%)
Adjusted EBITDA margin	**7.5%**	8.0%		**6.7%**	7.4%	

[A] For more details, see the table below and the section on Compliance with Canadian Generally Accepted Accounting Principles.

This table presents the various non-recurring items as well as the reconciliation of EBITDA and earnings from continuing operations.

Non-recurring items

(in thousands of dollars)	Third quarter		Year to date	
	2010	**2009**	**2010**	**2009**
EBITDA as reported	**24,110**	27,159	**63,128**	79,636
Expenses related to enterprise resource planning (ERP) (1)	**1,597**	741	**3,992**	741
Expenses related to the sale of stores (2)	**211**	355	**211**	355
Expenses related to integration and store closings	**345**	575	**345**	575
Total non-recurring items	**2,153**	1,671	**4,548**	1,671
Adjusted EBITDA	**26,263**	28,830	**67,676**	81,307
Earnings as reported	**13,204**	13,018	**35,542**	38,041
Non-recurring items, after tax	**1,383**	1,078	**2,940**	1,078
Adjusted earnings	**14,587**	14,096	**38,482**	39,119

(1) *Notably includes costs related to data conversion and to employee training*

(2) *Notably includes lease assumptions, maintenance, transportation costs required for the inventory relocation, losses and fixed assets write-offs.*

SALES

Third quarter

Excluding the impact of the following items, organic growth was 1.7%, being 3.5% in the US and (1.2%) in Canada:

- The effects of the variation of the Canadian dollar vis-à-vis the US dollar which had a negative impact of 3.4% (or $12,097) on sales;
- The closing of unprofitable stores and/or in areas with lesser growth potential in the United States during the 2009 period; and
- The impact on sales from the disposal of stores in Canada during recent quarters;

This organic growth reflects the efforts made to improve jobber loyalty, the contribution of national accounts and the increase in direct sales.

Year to date

Excluding the impact of the following items, organic growth was 1.5%, being 2.3% in the US and 0.2% in Canada:

- The effects of the variation of the Canadian dollar vis-à-vis the US dollar which had a negative impact of 7.3% (or $80,040) on sales;
- The closing of unprofitable stores and/or in areas with lesser growth potential in the United States during the 2009 period; and
- The impact on sales from the disposal of stores in Canada during recent quarters;

ADJUSTED EBIDTA FROM CONTINUING OPERATIONS

Third quarter

The adjusted EBITDA margin was 7.5% compared to 8.0% for the third quarter of 2009. This decrease is mainly attributable to the following factors:

A lower gross margin explained by:
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- A change in estimate related to losses on inventories reported last year;
- Loss of sales from stores sold or closed in 2009 for which margins to installers were more significant;
- Significant purchases made before price increases in the second quarter of 2009 generated an increase in the margin during the second and third quarters of 2009;
- A favorable product mix in favor of products for imported cars;

In part, offset by an improvement in purchase conditions.

Operating expenses were lower due to the elimination of operating expenses of the stores which were closed and sold in 2009 and in early 2010 which were partly offset by an increase in delivery costs.

Excluding the negative impact of the foreign exchange rate of $800, adjusted EBITDA would have been $27,063.

Year to date

To the factors mentioned for the third quarter are added : -

- pressure on prices and a change in the product offering resulting from increased competition that were noted in the first quarter.

Operating expenses were lower due to the following factor :

- The elimination of operating expenses of the stores which were closed and sold in 2009 and which were higher than gross margins, resulted in operating losses;

In part, offset by :

- An increase in IT spending on the current systems in Canada related to the outsourcing of additional support needed during the implementation of the enterprise resource planning system.

Excluding the negative impact of the foreign exchange rate of $5,321, adjusted EBITDA would have been $72,997.

ANALYSIS OF OTHER ITEMS AND AMOUNTS RELATED TO CONSOLIDATED RESULTS (from continuing operations)

(in thousands of dollars, except for percentages)

	Third quarter			Year to date		
	2010	2009	%	**2010**	2009	%
Interest	**2,355**	1,929	22.1%	**5,519**	6,372	(13.3%)
Amortization	**3,223**	3,590	(10.2%)	**9,840**	10,711	(8.1%)
Income taxes	**5,356**	7,516		**12,386**	21,205	
Tax rate	**28.9%**	34.7%		**25.9%**	33.9%	

INTEREST

Third quarter

The increase in interest expense is principally due to the increase in interest rates during the third quarter partly offset by the increase of the Canadian dollar compared to its US counterpart.

Year to date

The decrease in interest expense for the nine-month period is principally due to the increase of the Canadian dollar compared to its US counterpart and by the reduction of interest rates during the first six months, partly offset by the increase of the same rate during the third quarter.

AMORTIZATION

Third quarter

The decrease in amortization expenses is due to the increase of the Canadian dollar compared to its US counterpart and the sales and closings of stores, partly offset by the acquisitions of fixed assets and development of management systems and renewing the delivery fleet in the United States.

Year to date

The decrease in amortization expense for the nine-month period reflects the same factors as those cited for the third quarter.

INCOME TAXES

Third quarter

During the last quarter of 2009, the Company established a new financing structure for its US subsidiary. This new structure, combined with the decrease in the federal tax rate in Canada, had the effect of reducing the Company’s consolidated tax rate.

Year to date

The reduction of the tax rate for the nine-month period compared to 2009 is due to the same factors as those of the quarter. The rate of the quarter was higher than the rate of the nine-month period because of a different geographical weighting.

EARNINGS AND EARNINGS PER SHARE (from continuing operations)

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

(in thousands of dollars, except for percentages)

	Third quarter			Year to date		
	2010	2009	%	**2010**	2009	%
Earnings	**13,204**	13,018	1.4%	**35,542**	38,041	(6.6%)
Non-recurring items [1]	**1,383**	1,078		**2,940**	1,078	
Adjusted earnings	**14,587**	14,096	3.5%	**38,482**	39,119	(1.6%)
Earnings per share	**0.67**	0.66	1.5%	**1.80**	1.93	(6.7%)
Non-recurring items per share	**0.07**	0.05		**0.15**	0.05	
Adjusted earnings per share	**0.74**	0.71	4.2%	**1.95**	1.98	(1.5%)

(1) For more details, see the section on Analysis of Results and Canadian Generally Accepted Accounting Principles

ADJUSTED EARNINGS

Third quarter

Excluding the negative effect of the foreign exchange rate of $352 ($0.02 per share), adjusted earnings would have been $14,939 ($0.76 per share), an increase of 7.0% compared to the corresponding period.

Year to date

Excluding the negative effect of the foreign exchange rate of $2,644 ($0.13 per share), adjusted earnings would have been $41,126 ($2.08 per share), an increase of 5.1% compared to 2009.

NET EARNINGS

Third quarter

Uni-Select recorded net earnings of $13,204 in 2010 compared to $7,901 in 2009. The 2009 period reflects the loss from discontinued operations of $5,117. Basic earnings per share as well as diluted earnings per share amounted to $0.67 in 2010 against $0.40 in 2009.

Year to date

Taking into account the loss on discontinued operations, Uni-Select recorded net earnings of $35,542 in 2010 compared to $31,322 in 2009. Basic earnings per share as well as diluted earnings per share amounted to $1.80 in 2010 against $1.59 in 2009.

5. CASH FLOWS

The following table shows the main cash flows resulting from the various initiatives taken during the last quarters.

(in thousands of dollars)	Third quarter		Year to date	
	2010	2009	**2010**	2009
Cash at beginning of the quarter	**210**	**126**	**15,850**	**9,682**
Cash flows from operations before working capital items	18,138	21,910	41,357	56,776
Accounts receivable	14,885	8,812	(22,176)	(19,775)
Inventory	14,569	93	(5,943)	10,822
Prepaid expenses	(296)	(64)	(1,201)	65
Accounts payable	(17,104)	6,426	9,871	(9,936)
Income taxes receivable/payable	326	3,520	6,160	11,324
Working capital items	12,380	18,787	(13,289)	(7,500)
Cash flows from continuing operations	**30,518**	**40,697**	**28,068**	**49,276**
Development of intangible assets	(13,434)	(3,519)	(28,915)	(7,579)
Repayment of bank indebtedness	(8,776)	(4,956)	600	(398)
Purchase of various fixed assets	(584)	(101)	(6,449)	(6,152)
Payment of dividends	(2,297)	(2,297)	(6,893)	(6,710)
Advances to members	(833)	(593)	(1,929)	(7,152)
Business acquisitions	-	-	(1,074)	(668)
Balance of purchase price	-	(6)	-	(691)
Repayment of long-term debt	(26)	(79)	(75)	(1,578)
TOTAL disbursements	**(25,950)**	**(11,551)**	**(44,735)**	**(30,927)**
Issuance of long-term debt	25	1,101	25	1,101
Disposal of assets	16	212	2,258	1,061
Receipts on advances to members	1,084	1,156	2,856	3,430
Balance of purchase price	60	-	1,214	-
Disposal of fixed assets	358	190	1,125	621
TOTAL cash inflows	**1,543**	**2,659**	**7,478**	**6,213**
Cash flows from discontinued operations	13	9,941	(1,093)	8,643
Effect of exchange rate changes on cash	(324)	(3,068)	72	(4,301)
Others	(81)	(704)	289	(486)
Cash at end of quarter	**5,929**	**38,100**	**5,929**	**38,100**

Working Capital Items

Working capital items generated cash flows of $12,285 in 2010, compared to $18,787 in 2009 in the third quarter. This change is explained by the introduction in 2009 of the vendor financing program that had allowed an extension, at that time, for payment of accounts payable, partially offset by lower inventories due to seasonality.

Year to date, the additional use of working capital is due to increased inventories to support initiatives related to parts for imported cars and private label products.

Development of Intangible Assets

Related almost exclusively to the development of the enterprise resource planning software.

Purchase of Various Fixed Assets

These purchases include, primarily the exercise of an option to purchase the building housing a distribution centre, as well as the renewal of computer hardware and of the fleet of vehicles.

Payment of Dividends

Dividend payments to common shareholders, amounting to $0.117 per share for the quarter ($0.35 per share for the nine-month period), is equivalent to the dividend for the third quarter of 2009 ($0.342 for the nine-month period) and represents a 2.3% increase over the the nine-month period.

Business Acquisitions

Represents the purchase of the AIM purchasing group realized during the first quarter. (*For more details on this, see Note 6 to the Consolidated Financial Statements.)*

Disposal of Assets

The Company sold 2 corporate stores during the nine-month period. (*For more details on this, see Note 7 to the Consolidated Financial Statements.)*

6. FINANCIAL POSITION

The main variances in the different balance sheet items stem from seasonality as well as from the fluctuation of the Canadian dollar compared to its US counterpart.

The following table shows an analysis of the main items in the consolidated balance sheets.

(in thousands of dollars)

	Sept. 30, 2010	Dec. 31, 2009	Variance	Impact from business acquisitions/ disposals	Exchange rate impact	Net variance	Explanations for net variances
Working capital excluding cash and bank indebtedness	**392,819**	379,556	13,263	1,174	(4,205)	16,294	The increase is explained by the reconstitution of working capital items following the increase in sales at the end of the third quarter compared to December 2009 partly offset by the cashing of income tax receivables.
Fixed assets	**37,122**	39,660	(2,538)	(67)	(361)	(2,110)	Due to amortization exceeding acquisitions.
Intangible assets	**52,714**	27,836	24,878	1,074	(334)	24,138	Due mainly to the development of the enterprise resource planning system.
Goodwill	**92,868**	93,961	(1,093)	(250)	(843)	-	
Long-term debt	**176,269**	178,866	(2,597)	-	(2,836)	239	

7. SOURCES OF FINANCING

The Company is in a financial position to support its initiatives.

The Company has a credit facility consisting of a $235,000 revolving line of credit and a $90,000 operating line of credit both maturing in October 2011. As at September 30, the Company had an unused credit facility of $167,000 for its development ($175,000 as at December 31, 2009).

With its ability to generate cash flows and the credit facility at its disposal, the Company has the funds it needs to cover its various cash requirements, including: implementation of an enterprise resource planning system, potential acquisitions, dividend payments, purchase of various fixed assets, primarily for the development of information systems equipment and the modernization of its delivery fleet in the United States, as well as the payment of its various operational and contractual obligations.

Vendor Financing Program

In the third quarter of 2009, the Company implemented a vendor financing program. Under this program, financial institutions make discounted accelerated payments to suppliers, and the Company makes full payment to the financial institution, based on the new extended terms agreed to with suppliers. As at September 30, 2010, under these agreements Uni-Select has financed $43,280 through this program for which the payment terms have been extended. These amounts are presented in the accounts payable in the consolidated balance sheet. This program is available upon request and can be modified by either one of the parties. As at September 30, 2010, the Company had an authorized limit of $75,000 for this program.

Financial Instruments

The Company uses financial derivatives to reduce the interest-rate risks to which its debt is exposed. The Company does not use financial instruments for trading or speculation purposes. In 2008, the Company entered into various interest-rate swap agreements as part of its program to manage floating interest rates on its debt and its corresponding overall borrowing cost. These contracts, amounting to $120,000, mature in a series of three equal instalments of $40,000 in 2011, 2012 and 2013, and bear an average interest rate of 3.68%.

8. CAPITAL STRUCTURE

INDEBTEDNESS

The Company strives to maintain the following objectives:

(in thousands of dollars, except for percentages)

	Objectives	**Sept. 30, 2010**	Dec. 31, 2009	%
Long-term debt and merchant member deposits in a guarantee fund (including short-term portion)		**184,324**	**186,556**	(1.2)%
Total net debt		**178,712**	**170,079**	5.1%
Shareholders' equity		**398,015**	**372,918**	6.7%
Total net debt on total net debt plus equity	*Less than 45%*	***31.0%***	***31.3%***	
Long-term debt to equity ratio	*Less than 125%*	***46.3%***	***50.0%***	
Funded debt to EBITDA ratio	*Maximum 3.5*	***2.46***	***1.92***	

The variation in debt ratios is attributable to the following factors:

- Improved cash flow due to the generation of cash from the operations;
- Significant investments in the development of the enterprise resource planning system;
- Exchange rate fluctuations.

SHAREHOLDERS' EQUITY

Under its capital management policy, the Company seeks to achieve the following returns:

- A 15% return on average equity;
- A dividend corresponding approximately to 20% of the previous year's net earnings.

Return on Average Equity

The return on average shareholders' equity, excluding the loss related to discontinued operations, is 10.6% for the twelve-month period ended as at September 30, 2010, compared with 11.6 % in 2009.

Additional Information on Authorized Shares

As at November 10, 2010, the Company has 19,707,637 shares outstanding and unexercised options on 67,949 shares. *(Additional information on the stock option plan intended for officers and senior executives as at December 31, 2009, is presented in Note 22 to the Consolidated Financial Statements contained in the Annual Report.)*

Repurchase of capital shares

The Company repurchased for cancellation 13,100 common shares for a cash consideration of $338 including an amount of $93 that is payable. A premium on redemption of $305 is presented in reduction of the retained earnings.

Dividends

The Company paid $2,297 in dividends during the third quarter, or $0.117 per share ($6,893 or 0.350 per share for the nine-month period), the same dividend for the corresponding quarter of 2009 ($6,710 or 0.342 per share for the corresponding nine-month period). As at August 6, 2010, the Company also declared a dividend of $0.117, that was paid on October 19, 2010, to shareholders of record as at September 30, 2010.

9. RELATED-PARTY TRANSACTIONS

During the year, the Company incurred rent expense of $878 for the three-month period ended September 30, 2010 ($872 in 2009) and $2,548 for the nine-month period ended September 30, 2010 ($2,840 in 2009) with Clarit Realty, Ltd., a company controlled by a member of the board of directors. These agreements are in the normal course of business of the Company, are traded at fair market value and have durations of 3 to 5 years.

10. COMPLIANCE WITH CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Unless otherwise indicated, the financial information presented hereinafter is prepared in compliance with Canadian Generally Accepted Accounting Principles (GAAP). The information included in this report contains items that are not performance measures consistent with GAAP including:

Organic growth	This measurement consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions and sales of corporate stores, strategic alliances and exchange-rate fluctuations. Uni-Select uses this measurement 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 assumptions according to management, may differ from actual organic growth rates. In addition, this measurement may not correspond to similarly titled measurements used by other companies.
EBITDA	This measurement represents operating income before depreciation, amortization, interest, income taxes and non-controlling interest. This measurement 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 sales or net earnings, as an indicator of operating performance or cash flows, or as a measurement of liquidity, but as additional information. Because EBITDA is not a measurement defined by 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"

EBITDA margin	The EBITDA margin is a percentage corresponding to the ratio of EBITDA to sales.
Non-recurring items	These are rarely incurred costs that management regards as not being characteristic or representative of the Company's regular operations. They include the non-capitalizable costs related to the implementation of the enterprise resource planning system. This document presents analysis of variations in EBITDA, earnings from continuing operations and earnings per share from continuing operations, excluding non-recurring items. Although these measurements are not standardized in GAAP, management regards them as good indicators for comparing operational performance.
Adjusted EBITDA	This measurement corresponds to EBITDA plus non-recurring items. According to management, adjusted EBITDA is more representative of the Company's operational performance and more appropriate in providing additional information to investors because it gives an indication of the Company's ability to repay its debts. Since EBITDA is not established in compliance with GAAP, it may not be comparable to other companies' EBITDA.
Total net indebtedness	This measure consists of bank indebtedness, long-term debt and merchant members' deposits in a guarantee fund (including short-term portions), net of cash.
Ratio of total net debt to total net debt plus equity	This ratio corresponds to the percentage of total net debt divided by the sum of total net debt and shareholders' equity. These two measurements are not defined by GAAP and may, therefore, not be comparable to similarly titled measurements used by other companies.
Funded debt to EBITDA	This ratio corresponds to bank indebtedness, long-term debt and merchant members' deposits in a guarantee fund (including short-term portions) to EBITDA.

The Company believes many users of its management report analyze the results based on these measurements of returns. These measurements that are not GAAP-compliant are taken primarily from the Consolidated Financial Statements, but they have no standardized significance set out in Canadian GAAP; accordingly, other companies using similar terms may calculate them differently.

11. CONSOLIDATED QUARTERLY OPERATING RESULTS (from continuing operations)

Quarterly results are affected by seasonal factors. The Company records earnings in each quarter, but the second and third quarters have historically been more productive in terms of sales than the first and fourth quarters.

Finally, because more than 60% of the Company's activities are in the United States, the comparison of the results from one quarter to the next must take into account the significant variation of currencies.

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

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

	3rd Quarter		2nd Quarter		1st Quarter		4th Quarter	
	2010	2009	**2010**	2009	**2010**	2009	**2009**	2008
Sales								
United States	**212,900**	220,131	**216,137**	241,541	**193,189**	232,936	**189,574**	**227,940**
Canada	**135,705**	139,105	**142,613**	142,620	**113,775**	117,908	**126,060**	**125,081**
	348,605	359,236	**358,750**	384,161	**306,964**	350,844	**315,634**	**353,021**
EBITDA from continuing operations	**24,110**	27,159	**24,404**	31,768	**14,614**	20,709	**9,170**	**27,808**
Adjusted EBITDA from continuing operations	**26,263**	28,830	**25,598**	31,768	**15,815**	20,709	**14,494**	**29,121**
Adjusted EBITDA margin from continuing operations	***7.5%***	*8.0%*	***7.1%***	*8.3%*	***5.2%***	*5.9%*	***4.6%***	***8.2%***
Adjusted earnings from continuing operations	**14,587**	14,096	**15,506**	16,029	**8,385**	8,994	**8,571**	**15,156**
Earnings from continuing operations	**13,204**	13,018	**14,737**	16,029	**7,601**	8,994	**5,309**	**14,390**
Net earnings	**13,204**	7,901	**14,737**	15,408	**7,601**	8,013	**7,248**	**14,816**
Adjusted basic and diluted earnings per share from continuing operations	**0.74**	0.71	**0.79**	0.81	**0.43**	0.46	**0.44**	**0.77**
Basic and diluted earnings per share from continuing operations	**0.67**	0.66	**0.75**	0.81	**0.39**	0.46	**0.27**	**0.73**
Basic and diluted earnings per share	**0.67**	0.40	**0.75**	0.78	**0.39**	0.41	**0.37**	**0.75**
Dividends paid per share	**0.117**	0.117	**0.117**	0.117	**0.117**	0.108	**0.116**	**0.108**
Average exchange rate for earnings	**1.04**	1.10	**1.03**	1.17	**1.04**	1.25	**1.06**	**1.22**

12. FUTURE ACCOUNTING STANDARDS

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board of the CICA announced that the use of IFRS established by the International Accounting Standards Board will be required for fiscal years beginning January 1, 2011, for publicly accountable profit-oriented businesses. IFRS will replace the Canadian standards.

In 2008, to ensure a successful conversion, the Company established a comprehensive transition plan.

PHASE	DEADLINE	IMPLEMENTATION
Phase 1: Awareness o Preparation of the comprehensive transition plan o Mobilization of the organization o Confirmation of executive involvement o Assignment of team members to complete the project o Establishment of methods for analyzing of standards	Late 2008	Completed
Phase 2: Assessment o Finalization of the comprehensive transition plan o Identification of differences between Canadian standards and IFRS o General review of choices (IFRS 1 exemptions) o Start of training for the team, senior executives and Board of Directors members	Second quarter 2009	Completed
Phase 3: Conception o Identification of impacts on systems o Finalization of choices (IFRS 1 and explicit choices) o Resolution of differences between IFRS and Canadian standards o Establishment of accounting policies	Third quarter 2010	Completed
Phase 4: Implementation o Reconciliation of opening balances o Preparation of the IFRS financial statements model o Preparation of IFRS 2010 interim financial statements alongside financial statements based on Canadian standards (comparables for 2011) o Continuation of training for the entire	Late 2010	Opening balance sheet and IFRS standard financial statements being prepared

organization o Determination of impacts on infrastructure, business activities and control activities, and completion of necessary adjustments o Publication of IFRS financial statements (first quarter 2011)		

The first three phases of the transition plan have been completed. The Company is currently completing an analysis of the impact of differences between Canadian standards and IFRS on disclosure. The opening balance sheet is also being prepared. Accounting policies are likely to be amended, and this should affect the Company's consolidated financial statements. The process of quarterly progress reports to the Audit Committee on the status of the IFRS project continues.

Business Combinations

In January 2009, CICA published Section 1582, *Business Combinations*, replacing Section 1581 of the same name. This section applies prospectively to business combinations conducted during fiscal periods starting January 1, 2011. The section sets out standards for recording a business combination. The Company will analyze the impacts of applying this section when analyzing IFRS.

Consolidated Financial Statements

In January 2009, the CICA published Section 1601, *Consolidated Financial Statements*, replacing Section 1600 of the same name. This section applies to interim and annual financial statements for fiscal years starting January 1, 2011. The section sets out standards for establishing consolidated financial statements. The Company will analyze the impacts of applying this section when analyzing IFRS.

Non-controlling Interests

In January 2009, the CICA published Section 1602, *Non-Controlling Interests*, replacing Section 1600, *Consolidated Financial Statements*. This section applies to interim and annual financial statements starting January 1, 2011. The section sets out standards for recording non-controlling interests in a subsidiary in the consolidated financial statements following a business combination. The Company will analyze the impacts of applying this chapter when analyzing IFRS.

13. RISK MANAGEMENT

The Company attempts to continually reduce its exposure to risks and uncertainties that it may encounter in its operational or financial situation. Accordingly, management continually reviews overall controls and preventive measures to ensure they are better matched to significant risks to which the Company's operating activities are exposed. A report on the risk management program is reviewed once a year by the Audit Committee of the Company.

This focus also guides management's decisions regarding its day-to-day operations, among which, cost-reduction measures and the addition or removal of products from the existing product offering. It also has a direct impact on decisions made regarding investments, acquisitions or disposals of assets as well as to financing related to the growth of the Company.

Quarterly Update

The list of the main risks is available in the management report section of the 2009 Annual Report. This section deals with the following risks for which no major change occurred during the course of the third quarter of 2010: industry-related risks, economic climate, vehicle fleet, technology, inflation, fuel prices, interest rates and business model of the Company.

The following risks have been updated:

Geographical Breakdown and Exchange Rate

The exchange rate between the Canadian and US dollars considerably fluctuated during the third quarter of 2010, the average rate moving from 1.17 in 2009 to 1.04 in 2010. Although this impact is strictly accounting in nature and does not affect cash flows, this variation had a significant impact on US operating results reported in Canadian dollars. Taking into account the information on hand at this time and the exchange rates currently prevailing in the market, little impact is foreseeable for the next quarter.

Business and Financial Systems

As set out in the December 31, 2009 Management Report, the Company is currently proceeding with the implementation of a new enterprise resource planning software. To mitigate implementation risks, the Company began on July 1, 2010 with the financial module following the successful completion of three testing phases. The operational module will gradually be deployed at the beginning of 2011 until 2012. The total estimated cost of the project is $70,000.

The Company is currently reviewing both current and future controls relating to the implementation of new methods and procedures as well as various temporary interfaces required for the launch of these systems. The Company is assisted in this initiative by a number of experts in the implementation of like systems. In addition to facilitating the management of every facet of the organization, the system will consolidate several business and financial applications as well as their interfaces and will add a number of automated controls that will replace actual compensatory controls.

14. EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Uni-Select has evaluated its disclosure controls and procedures in accordance with the NI 52-109 guidelines. As at September 30, 2010, the President and Chief Executive Officer and the Vice-President and Chief Financial Officer concluded that the Company's disclosure controls and procedures are properly designed and effective.

Internal Controls over Financial Reporting

Uni-Select evaluated the effectiveness of internals control over financial reporting as at September 30, 2010, in accordance with the NI 52-109 guidelines. This evaluation enabled the President and Chief Executive Officer and the Vice-President and Chief Financial Officer to conclude that internal controls over financial reporting were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. Over the years, a number of compensatory controls have been added to the various automated controls over the systems in place to offset the risks that could be caused by interfaces between systems that are being changed.

In addition, this work enabled management to determine that, during the quarter ended September 30, 2010, no change to internal controls over financial reporting has occurred that has materially affected, or is reasonably likely to have materially affected, such controls.

15. OUTLOOK

During the next quarters, the Company will continue focusing on the three following main objectives:

- Continue its development efforts in line with its new administrative structure devoted to both the maximization of sales to independent jobbers and the improvement of the operational efficiency to its corporate store customers.
- Pursue the orderly deployment of the new enterprise resource planning system all the while ensuring the smooth transition for internal human resources and customer service by a sound change management approach.
- Pursue growth through acquisitions in the United States where development opportunities exist due to relative market fragmentation.

Management is confident that, through the deployment of the various elements of its growth strategy and strict expense and asset controls, it will improve profitability in the short and long run. The Company has positioned itself to fully benefit from existing business opportunities in its market segment.

Richard G. Roy, CA
President and Chief Executive Officer

Denis Mathieu, CA
Vice President and Chief Financial Officer

Approved by the Board of Directors on November 10, 2010.

Uni-Select Inc.

Consolidated Interim Financial Statements
for quarters ended
September 30, 2010 and 2009

Financial Statements

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Notice related to the review of interim financial statements

The consolidated interim financial statements for the periods ended September 30, 2010 and 2009 have not been reviewed by the auditors of the Company.

Uni-Select Inc.
Consolidated Earnings

Three-month and nine-month periods ended September 30, 2010 and 2009

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

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	$	$	**$**	$
Sales	**348,605**	359,236	**1,014,319**	1,094,241
Earnings before the following items:	**24,110**	27,159	**63,128**	79,636
Interest (Note 3)	**2,355**	1,929	**5,519**	6,372
Amortization (Note 3)	**3,223**	3,590	**9,840**	10,711
	5,578	5,519	**15,359**	17,083
Earnings before income taxes and non-controlling interest	**18,532**	21,640	**47,769**	62,553
Income taxes (Note 4)				
Current	**3,396**	3,501	**16,694**	17,005
Future	**1,960**	4,015	**(4,308)**	4,200
	5,356	7,516	**12,386**	21,205
Earnings before non-controlling interest	**13,176**	14,124	**35,383**	41,348
Non-controlling interest	**(28)**	1,106	**(159)**	3,307
Earnings from continuing operations	**13,204**	13,018	**35,542**	38,041
Loss from discontinued operations (Note 8)	**–**	(5,117)	**–**	(6,719)
Net earnings	**13,204**	7,901	**35,542**	31,322
Basic and diluted earnings per share (Note 5)				
From continuing operations	**0.67**	0.66	**1.80**	1.93
From discontinued operations	**–**	(0.26)	**–**	(0.34)
Net income	**0.67**	0.40	**1.80**	1.59
Weighted average number of outstanding shares	**19,720,159**	19,714,128	**19,719,632**	19 707 862
Number of issued and outstanding shares	**19,709,237**	19,714,128	**19,709,237**	19 714 128

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

Uni-Select Inc.
Consolidated Comprehensive Income
Consolidated Retained Earnings

Three-month and nine-month periods ended September 30, 2010 and 2009

(In thousands of dollars, except for per share amounts, unaudited)

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	$	$	**$**	$
CONSOLIDATED COMPREHENSIVE INCOME				
Net earnings	**13,204**	7,901	**35,542**	31,322
Other comprehensive income				
Unrealized losses on derivative financial instruments designated as cash flow hedges (net of income taxes of $250 and $932 respectively for the three-month and nine-month periods ($520 and $136 in 2009)	**(674)**	(1,003)	**(2,977)**	(288)
Reclassification of realized losses to net earnings on derivative financial instruments designated as cash flow hedges (net of income taxes of $269 and $808 respectively for the three-month and nine-month periods (($292) and ($804) in 2009)	**728**	641	**2,260**	1,754
Unrealized exchange gain on translation of long-term debt designated as a hedge of net investments in self-sustaining foreign subsidiairies	**5,226**	1,492	**2,835**	2,523
Unrealized exchange losses on translating financial statements of self-sustaining foreign subsdiaries	**(10,836)**	(17,629)	**(5,480)**	(29,790)
Other comprehensive income	**(5,556)**	(16,499)	**(3,362)**	(25,801)
Comprehensive income	**7,648**	(8,598)	**32,180**	5,521
CONSOLIDATED RETAINED EARNINGS				
Balance, beginning of year			**353,625**	324,241
Net earnings			**35,542**	31,322
			389,167	355,563
Share redemption premium (a)			**305**	–
Dividends			**6,892**	6,889
Balance, end of year			**381,970**	348,674

(a) The Company redeemed 13,100 common shares for a cash consideration of $338 for which $93 is still payable. A premium on redemption of $305 is presented in reduction of the retained earnings.

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

Uni-Select Inc.
Consolidated Cash Flows

Three-month and nine-month periods ended September 30, 2010 and 2009

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

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	$	$	**$**	$
OPERATING ACTIVITIES				
Net earnings	**13,204**	13,018	**35,542**	38,041
Non-cash items				
Amortization	**3,223**	3,590	**9,840**	10,711
Amortization of deferred gain on a sale-leaseback arrangement	**(51)**	(47)	**(163)**	(169)
Future income taxes	**1,960**	4,015	**(4,308)**	4,200
Compensation cost relating to stock option plans	**20**	32	**59**	96
Pension expense in excess of contributions	**(190)**	196	**546**	590
Non-controlling interest	**(28)**	1,106	**(159)**	3,307
	18,138	21,910	**41,357**	56,776
Changes in working capital items	**12,380**	18,787	**(13,289)**	(7,500)
Cash flows from continuing operating activities	**30,518**	40,697	**28,068**	49,276
Cash flows from discontinued operating activities	**13**	(6,597)	**(1,093)**	(9,471)
Cash flows from operating activities	**30,531**	34,100	**26,975**	39,805
INVESTING ACTIVITIES				
Business acquisitions (Note 6)	**–**	–	**(1,074)**	(668)
Disposal of assets (Note 7)	**16**	212	**2,258**	1,061
Balance of selling price	**60**	–	**1,214**	–
Buy-back of non-controlling interest	**–**	–	**–**	(196)
Investments and advances to merchant members	**(815)**	(569)	**(1,876)**	(7,098)
Receipts on advances to merchant members	**1,084**	1,156	**2,856**	3,430
Fixed assets	**(584)**	(101)	**(6,449)**	(6,152)
Disposal of fixed assets	**358**	190	**1,125**	621
Intangible assets	**(13,434)**	(3,519)	**(28,915)**	(7,578)
Cash flows from continuing investing activities	**(13,315)**	(2,631)	**(30,861)**	(16,580)
Cash flows from discontinued investing activities	**–**	13,921	**–**	13,871
Cash flows from investing activities	**(13,315)**	11,290	**(30,861)**	(2,709)
FINANCING ACTIVITIES				
Bank indebtedness	**(8,776)**	(4,956)	**600**	(398)
Long-term debt	**25**	1,101	**25**	1,101
Balance of purchase price	**–**	(6)	**–**	(691)
Repayment of long-term debt	**(26)**	(79)	**(75)**	(1,578)
Merchant members' deposits in guarantee fund	**146**	(728)	**391**	(546)
Issuance of shares	**–**	–	**90**	202
Share redemption	**(245)**	–	**(245)**	
Dividends paid	**(2,297)**	(2,297)	**(6,893)**	(6,710)
Cash flows from continuing financing activities	**(11,173)**	(6,965)	**(6,107)**	(8,620)
Cash flows from discontinued financing activities	**–**	2,617	**–**	4,243
Cash flows from financing activities	**(11,173)**	(4,348)	**(6,107)**	(4,377)
Effect of exchange rate changes on cash	**(324)**	(3,068)	**72**	(4,301)
Increase (decrease) in cash	**5,719**	37,974	**(9,921)**	28,418
Cash, beginning of period	**210**	126	**15,850**	9,682
Cash, end of period	**5,929**	38,100	**5,929**	38,100
Dividends paid per share	**0.117**	0.117	**0.350**	0.342

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

Uni-Select Inc.
Consolidated Balance Sheets

September 30, 2010 and 2009

(In thousands of dollars, unaudited)

	September 30 2010	September 30 2009	December 31 2009
	$	$	$
			(audited)
ASSETS			
Current assets			
Cash	**5,929**	38,100	15,850
Accounts receivable	**169,371**	175,428	150,440
Income taxes receivable	**–**	–	3,859
Inventory (Note 9)	**402,927**	407,388	402,550
Prepaid expenses	**7,507**	5,385	6,914
Future income taxes	**10,603**	8,796	10,065
Assets from discontinued operations (Note 8)	**2,714**	20,015	3,777
	599,051	655,112	593,455
Investments and advances to merchant members	**16,194**	15,835	16,831
Fixed assets	**37,122**	38,426	39,660
Financing costs	**484**	518	555
Intangible assets	**52,714**	23,262	27,836
Goodwill	**92,868**	93,617	93,961
Future income taxes	**2,953**	3,826	3,359
	801,386	830,596	775,657
LIABILITIES			
Current liabilities			
Bank indebtedness	**520**	–	44
Accounts payable	**187,973**	185,237	181,773
Income taxes payable	**2,385**	1,505	–
Dividends payable	**2,297**	2,297	2,298
Instalments on long-term debt and on merchant members' deposits in guarantee fund	**316**	128	402
Future income taxes	**7,101**	7,957	11,192
Liabilities from discontinued operations (Note 8)	**231**	12,401	2,384
	200,823	209,525	198,093
Deferred gain on a sale-leaseback arrangement	**1,841**	2,142	2,036
Long-term debt	**176,269**	183,549	178,866
Merchant members' deposits in guarantee fund	**7,739**	7,328	7,288
Derivative financial instruments	**6,023**	6,487	5,182
Future income taxes	**7,638**	6,110	7,821
Non-controlling interest	**3,038**	43,824	3,453
	403,371	458,965	402,739
SHAREHOLDERS' EQUITY			
Capital stock	**50,208**	50,040	50,152
Contributed surplus	**413**	323	355
Retained earnings	**381,970**	348,674	353,625
Accumulated other comprehensive income (Note 10)	**(34,576)**	(27,406)	(31,214)
	398,015	371,631	372,918
	801,386	830,596	775,657

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

Uni-Select Inc.
Notes to Consolidated Financial Statements

September 30, 2010 and 2009

(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, 2009. 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, 2009. 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.

These interim financial statements follow the same accounting policies as 2009. Certain comparative figures have been reclassified to conform with the presentation adopted in 2010. The Company now discloses one operating segment being the automotive parts distribution.

2 - FUTURE ACCOUNTING CHANGES

Business combinations

In January 2009, the CICA issued Section 1582, Business Combinations, which supersedes the like-named Section 1581. This Section applies prospectively to business combinations for which the date of acquisition is in fiscal years beginning on or after January 1, 2011. The Section establishes standards for the recognition of a business combination. The Company will analyze the effects of the adoption of this Section together with the analysis of the International Financial Reporting Standards.

Consolidated financial statements

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, which supersedes the like-named Section 1600. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Section establishes standards for the preparation of consolidated financial statements. The Company will analyze the effects of the adoption of this Section together with the analysis of the International Financial Reporting Standards.

Non-controlling interests

In January 2009, the CICA issued Section 1602, Non-controlling Interests, which supersedes Section 1600, Consolidated financial statements. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Section establishes standards for the accounting of non-controlling interests in a subsidiary in the consolidated financial statements subsequent to a business combination. The Company will analyze the effects of the adoption of this Section together with the analysis of the International Financial Reporting Standards.

3 - INFORMATION INCLUDED IN CONSOLIDATED EARNINGS

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	$	$	**$**	$
Interest from				
Other financial liabilities				
Interest on bank indebtedness	**228**	183	**483**	655
Interest on long-term debt	**2,150**	1,783	**5,208**	5,889
Interest on merchant members' deposits in guarantee fund	**29**	27	**86**	137
	2,407	1,993	**5,777**	6,681
Held-for-trading financial assets				
Interest income on cash	**-**	(1)	**(94)**	(6)
Loans and receivables				
Interest income from merchant members	**(52)**	(63)	**(164)**	(303)
	(52)	(64)	**(258)**	(309)
	2,355	1,929	**5,519**	6,372
Amortization				
Amortization of fixed assets	**2,049**	2,409	**7,247**	9,095
Amortization of intangible assets and other assets	**1,174**	1,181	**2,593**	1,616
	3,223	3,590	**9,840**	10,711

4 - INCOME TAXES

The Company's effective income tax rate differs from the combined statutory rate in Canada. This difference arises from the following items:

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	%	%	**%**	%
Federal statutory rate	**18.00**	19.00	**18.00**	19.00
Provinces' statutory tax rates	**11.25**	11.86	**11.25**	11.86
Various tax rates applied in tax jurisdictions of foreign operations	**6.64**	4.49	**7.57**	4.17
Combined statutory rate of the Company	**35.89**	35.35	**36.82**	35.03
Tax benefit from a financing structure	**(6.46)**	(1.57)	**(9.70)**	(1.42)
Non-deductible tax expenses	**0.35**	0.35	**0.35**	0.35
Earnings taxable at lower rates in future years	**(0.64)**	(0.26)	**(0.51)**	(0.25)
Losses at higher tax rates	**(0.82)**	–	**(0.90)**	–
Other	**0.58**	0.86	**(0.13)**	0.19
	28.90	34.73	**25.93**	33.90

5 - EARNINGS PER SHARE

Weighted average number of shares for the calculation of basic earnings per share is 19,720,159 for the three-month period ended September 30, 2010 (19,714,128 in 2009) and 19,719,632 for the nine-month period ended September 30, 2010 (19,707,862 in 2009). Impact of stock options exercised is 7,817 shares for the three-month period ended September 30, 2010 (10,881 in 2009) and 8,993 for the nine-month period ended September 30, 2010 (13,699 in 2009) which total a weighted average number of shares of 19,727,976 for the three-month period ended September 30, 2010 (19,725,009 in 2009) and 19,728,625 for the nine-month period ended September 30, 2010 (19,721,561 in 2009) for calculation of diluted earnings per share.

6 - BUSINESS ACQUISITIONS

During the first quarter, the Company acquired the shares of a company for a cash consideration of $1,074 and a contingent consideration payable to the sellers based on the achievement of specific performance objectives. Purchase price allocation will be reviewed to consider the contingent consideration when it can be determined by the Company that the objectives will be achieved.

7 - DISPOSAL OF ASSETS

During the second quarter, the Company sold some of the assets and liabilities of two stores for a cash consideration of $2,692 of which $434 is receivable.

8 - DISCONTINUED OPERATIONS

In 2009, the Company has proceeded to the disposal of certain assets and liabilities of its Palmar Inc. subsidiary.

Pursuant to Section 3475 of CICA Handbook, titled "Disposal of Long-Lived Assets and Discontinued Operations", the group's operating results and loss from discontinued operations have been reclassified and presented in the consolidated statement of earnings under "Loss from discontinued operations" for the periods ending September 30, 2010 and 2009 while the assets and liabilities of Palmar Inc. as of September 30, 2010 and December 31, 2009 have been reclassified and presented in the consolidated balance sheet under "Assets or liabilities from discontinued operations".

The following table provides the discontinued operations results for the periods ended September 30, 2010 and 2009:

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	$	$	**$**	$
Sales	**–**	5,444	**–**	31,013
Loss before the following items:	**–**	(632)	**–**	(2,831)
Interests	**–**	46	**–**	128
Amortization	**–**	37	**–**	171
	–	83	**–**	299
Loss before income taxes	–	(715)	–	(3,130)
Income taxes	**–**	120	**–**	933
Loss before non-recurring items	**–**	(595)	**–**	(2,197)
Non-recurring items	**–**	(4,522)		(4,522)
Loss from discontinued operations	**–**	(5,117)	**–**	(6,719)

The following table provides the assets and liabilities from discontinued operations as of September 30, 2010 and December 31, 2009:

	September 30	December 31
	2010	2009
Assets	**$**	$
Cash	**203**	671
Accounts receivable	**54**	646
Income taxes receivable	**65**	68
Future income taxes	**2,392**	2,392
Assets from discontinued operations	**2,714**	3,777
Liabilities		
Accounts payable	**231**	2,384
Liabilities from discontinued operations	**231**	2,384

9 - STOCK

The cost of inventory recognized as an expense is $247,316 for the three-month period ended September 30, 2010 ($255,246 in 2009) and $725,082 for the nine-month period ended September 30, 2010 ($773,619 In 2009).

10 - ACCUMULATED OTHER COMPREHENSIVE INCOME

	September 30 2010	December 31 2009
	$	$
Balance, beginning of year	**(31,214)**	(1,605)
Other comprehensive income for the years	**3,362**	(29,609)
Balance, end of year	**(34,576)**	(31,214)

The components of other accumulated comprehensive income as at September 30, 2010 and December 31 2009, are as follows:

Accumulated currency translation adjustments	**(30,179)**	(27,535)
Cumulative changes in fair value of derivatives used as a hedge (net of future income taxes of $1,626 ($1,503 in 2009))	**(4,397)**	(3,679)
	(34,576)	(31,214)

11 - EMPLOYEE FUTURE BENEFITS

As at September 30, 2010, the Company’s pension plans are defined benefit and contribution plans.

For the three-month period ended September 30, 2010, the total expense for the defined contribution pension plans was $358 ($215 in 2009) and $661 ($618 in 2009) for the defined benefit pension plans.

For the nine-month period ended September 30, 2010, the total expense for the defined contribution pension plans was $921 ($949 in 2009) and $1,985 ($1,920 in 2009) for the defined benefit pension plans.

12 - GUARANTEES

Under 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 cost of the inventories for a maximum amount of $65,176 ($64,269 in 2009). In the event of legal 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 greater than the Company's commitments.

13 - GEOGRAPHICAL INFORMATION

	3rd quarter		9 months	
	2010	2009	**2010**	2009
	$	$	**$**	$
Sales in Canada	**135,705**	139,105	**392,093**	399,633
Sales in the United States	**212,900**	220,131	**622,226**	694,608
	348,605	359,236	**1,014,319**	1,094,241

	September 30, 2010		
	Canada	**United States**	**Total**
	$	**$**	**$**
Fixed assets	**17,374**	**19,748**	**37,122**
Intangible assets	**23,334**	**29,380**	**52,714**
Goodwill	**40,584**	**52,284**	**92,868**

	December 31, 2009		
	Canada	United States	Total
	$	$	$
Fixed assets	15,399	24,261	39,660
Intangible assets	15,056	12,780	27,836
Goodwill	40,835	53,126	93,961

14 - RELATED PARTY TRANSACTIONS

During the period, the Company incurred rental expenses of $878 for the three-month period ended September 30, 2010 ($872 in 2009) and $2,548 for the nine-month period ended September 30, 2010 ($2,840 in 2009) from Clarit Realty Ltd, a company controlled by a member of the Board of Directors. These agreements are concluded in the normal course of business of the Company, are negotiated at fair market value, and consist of 3 to 5-year term periods.