



Information Bulletin

To all agents, suppliers and commercial delegations

THE SAQ'S SECOND QUARTER RESULTS FOR FISCAL 2006–2007: INCREASED EFFICIENCY, STRONGER PERFORMANCE

Montreal, November 7, 2006 – For the 12 weeks ended September 9, 2006, the SAQ had consolidated net earnings of \$161.9 million, a \$12.8-million or 8.6% increase over the corresponding period of the preceding financial year. This means that for the first half of its fiscal year, the company posted consolidated net earnings of \$297.3 million, compared with \$275.6 million in fiscal 2005–2006, an increase of \$21.7 million or 7.9%. During the period, consolidated sales grew \$68.9 million or 5.6% to reach \$1.29 billion.

Net sales totalled \$476.5 million in the second quarter, a \$24.8-million or 5.5% increase. This growth is entirely attributable to the outlet and specialized centre network, whose sales reached \$419.8 million. Sales in the wholesaler-grocer network remained stable at \$56.7 million.

Operating expenses totalled \$99.8 million in the second quarter, compared with \$101.5 million in the second quarter of 2005–2006. The figure for the first six months of the fiscal year was \$204.6 million as opposed to \$204.5 million in the preceding fiscal year. Expressed as a percentage of the value of retail sales, operating expenses for the year to date amounted to 17.4%, compared with 18.2% in 2005–2006, a result that points to increased efficiency in the organization's overall business processes.

In the second quarter, the SAQ also made \$3.2 dollars in investments. Around \$2.1 million was allocated to renovating its administrative centres and modernizing its outlet network while \$1.1 million was earmarked for information systems development and equipment acquisition.

The second quarter results continue to positively reflect the measures implemented by senior management to improve the company's sales performance and the productivity of its resources.

Note: The 2006 Second Quarter Results document (PDF format) is online on our web portal SAQ-B2B.com, under the tab "Communications".