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SAQ FINANCIAL REPORT

FIRST QUARTER ENDED JUNE 17, 2006



GREATER EFFICIENCY AND GROWTH IN SALES

Last spring, the SAQ ended its 2005-2006 fiscal year by announcing that the company would pursue further growth in the next year while continuing to improve operational efficiency. Initial numbers for the 2006-2007 fiscal year clearly show that the SAQ is well on its way to reaching that objective. For the 12-week period ended June 17, 2006, the SAQ achieved consolidated net earnings of \$135.5 million, an increase of \$9 million or 7.1% over the same period last year. Consolidated sales for the SAQ rose from \$542.0 million to \$569.2 million, an improvement of 5%. Operating expenses remained relatively stable at \$104.8 million, thereby contributing to the company's goal of achieving higher profits.

NET SALES

The network of outlets and specialized centres excelled itself yet again, having achieved a 6.6% increase in sales. Net quarterly sales for this group reached \$388.3 million, compared with \$364.3 million for the same period in 2005-2006. This \$24 million gain can be attributed, on the one hand, to the success of the company's promotional campaigns and, on the other hand, to continuous improvements in customer service.

Consumers enjoyed a better price-quality ratio for the approximately 600 products whose cost was lowered by an average of 8% in February 2006 given that their purchase price is set in euros. Sales for this group of products grew by 15.9% over the same period last year, clearly claiming a larger market share in the process. In comparison, all other products combined experienced more moderate growth of 4.3%.

Sales made to the SAQ's network of wholesale grocers declined slightly by \$2.1 million to \$53.6 million; a high number of consumers continued to shop at the network's outlets in the weeks following the settlement of the labour conflict that affected the SAQ stores during the previous fiscal year.

Furthermore, overall sales by volume climbed by 5.4% to reach 33.2 million litres, compared with 31.5 million litres in 2005-2006, an increase of 1.7 million litres. This rise is attributable primarily to a 9.2% increase in the sale of wines through the network of outlets and specialized centres which, conversely, experienced drops in volume sold of 5.1% and 15.3% in the spirits and imported beers categories, respectively.

GROSS EARNINGS

Gross earnings for the first quarter of this year rose by \$10.6 million or 4.6% over last year's Q1 total of \$229.6 million, to \$240.2 million. In terms of net sales, the gross margin was 54.4%, down slightly from the previous year's figures.

OPERATING EXPENSES AND INVESTMENTS

Operating expenses for the quarter totalled \$104.8 million, compared with \$103.1 million for the previous year, representing a marginal increase of \$1.7 million or 1.7%. Expressed as the value of retail sales, operating expenses accounted for 18.4% of overall expenditures in the first quarter of 2006-2007; the rate for the same period last year was 19%. This improved performance is directly attributable to the numerous efforts made to control operating expenses while continuing to improve business processes.

In addition, the SAQ committed new investments of \$4.2 million during the first quarter. Nearly \$2.5 million was used to redesign the company's administrative centres and modernize its network of outlets; approximately \$1.6 million was dedicated to various IT projects.

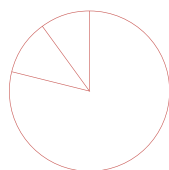
Last, but not least, as part of its strategic planning process, the SAQ announced last fall that it would liquidate its shares in subsidiary Maison des Futailles, S.E.C. Negotiations for the sale are currently under way with a major, privately-owned Canadian company. Certain aspects of this transaction remain to be finalized.



SYLVAIN TOUTANT
PRESIDENT AND CHIEF EXECUTIVE OFFICER

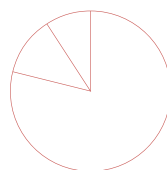
FIRST-QUARTER OPERATING RESULTS AT A GLANCE

Unaudited consolidated data



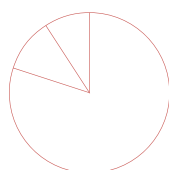
**NET SALES,
BY SALES NETWORK**
Q1 2006-2007

79% Outlets and specialized centres
11% Wholesale grocers
10% Brewers and beer distributors



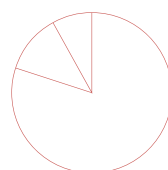
**NET SALES,
BY SALES NETWORK**
Q1 2005-2006

79% Outlets and specialized centres
12% Wholesale grocers
9% Brewers and beer distributors



**SALES BY VOLUME,
BY PRODUCT CATEGORY¹**
Q1 2006-2007

80% Wines
11% Spirits
9% Imported and microbrewery beers,
ciders and coolers

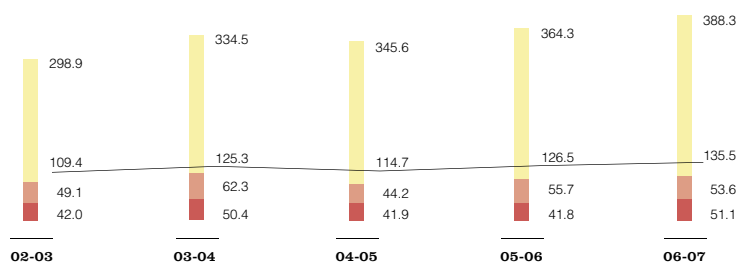


**SALES BY VOLUME,
BY PRODUCT CATEGORY¹**
Q1 2005-2006

80% Wines
12% Spirits
8% Imported and microbrewery beers,
ciders and coolers

CHANGE IN FIRST-QUARTER NET SALES AND NET EARNINGS

(in millions of dollars)



■ Net sales – outlets and specialized centres
■ Net sales – wholesale grocers
■ Net sales – brewers and beer distributors
— Net earnings

VARIATION IN NET SALES COMPARED WITH FISCAL YEAR 2005-2006

Outlets and specialized centres	6.6%
Wholesale grocers	(3.7%)
Brewers and beer distributors	22.2%
Total variation	6.8%

NET PROFIT MARGIN ON NET SALES¹

Q1 2006-2007	30.7%
Q1 2005-2006	30.1%
Q1 2004-2005	29.4%
Q1 2003-2004	31.6%
Q1 2002-2003	31.4%

CHANGE IN FIRST-QUARTER OPERATING EXPENSES

(in millions of dollars)



OPERATING EXPENSES AS A PERCENTAGE OF NET SALES¹

Q1 2006-2007	23.7%
Q1 2005-2006	24.5%
Q1 2004-2005	26.1%
Q1 2003-2004	23.1%
Q1 2002-2003	23.4%

¹ Excluding sales to brewers and beer distributors, which generate no gross earnings.

To conform with the basis of presentation adopted in the current year, certain figures previously reported have been reclassified.

HIGHLIGHTS

Unaudited consolidated data

(in thousands of dollars and millions of litres for sales by volume)

	12-week period ended on	
	June 17, 2006	June 18, 2005
OPERATING RESULTS		
Gross sales	\$ 626,561	\$ 588,040
Gross sales, excluding sales to brewers and beer distributors	569,214	542,049
Net sales	492,982	461,752
Net sales, excluding sales to brewers and beer distributors	441,889	419,958
Gross earnings	240,240	229,578
Operating expenses	104,787	103,050
Net earnings	135,453	126,528
FINANCIAL AND CASH POSITIONS		
Total assets	\$ 682,745	\$ 694,297
Dividends and advances to shareholder	158,000	99,000
Cash flow from operations	148,127	104,455
Net investments	4,203	2,417
NET SALES BY SALES NETWORK		
Outlets and specialized centres	\$ 388,257	\$ 364,284
Wholesale grocers	53,632	55,674
Brewers and beer distributors	51,093	41,794
Total net sales	492,982	461,752
SALES BY VOLUME, BY SALES NETWORK		
Outlets and specialized centres	26.1 L	24.7 L
Wholesale grocers	7.1	6.8
Total volume, excluding sales to brewers and beer distributors	33.2	31.5
Brewers and beer distributors	34.4	31.0
Total volume	67.6	62.5
SALES BY VOLUME, BY PRODUCT CATEGORY		
Wines	26.7 L	25.1 L
Spirits	3.5	3.7
Imported and microbrewery beers, ciders and coolers	3.0	2.7
Total volume, excluding sales to brewers and beer distributors	33.2	31.5
Beers sold to brewers and beer distributors	34.4	31.0
Total volume	67.6	62.5

To conform with the basis of presentation adopted in the current year, certain figures previously reported have been reclassified.