

2010

A N N U A L R E P O R T



P E O P L E C O U N T

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Pharmacists Élisabeth Poulin (St-Georges-de-Beauce), Michel Ménard (Beauharnois), and Sheinaz Kalfane (Montreal) are three of Uniprix Group's many health professionals who share the belief that "people count."



PEOPLE COUNT

PHARMACISTS, OWNERS, AND ENTREPRENEURS

How does Uniprix Group sustain its growth—and keep improving—in today's highly competitive environment?

The answer is obvious: we owe our success to our distinctive culture.

As Uniprix Group approaches its 35th year in business, a new era is dawning for our pharmacists, pharmacist-owners, managers, head office staff, and retail store employees.

If our founders—who worked hard to instill the attitude that people come first—were to visit us today, they would be pleased to see that we have become Quebec's largest independent pharmacist group.

Our shareholder members know it, and our employees recognize it, as do our suppliers: the belief that success comes from working closely with others is a fiber woven throughout the Uniprix Group culture.

AN ENDURING BUSINESS MODEL

It's remarkable to note that despite the sea change that has permeated our industry, the basic business model we defined in 1977 has remained intact and is still appropriate today, even as our company embraces new ways of operating.

While the job of managing a pharmacy and its corresponding business side have changed significantly, we find that throughout Quebec, pharmacists of all ages want to retain the benefits they enjoy as affiliates in Uniprix's unique franchisor/franchisee setup.

Our pharmacists have something else in common, whether they've recently completed school or have years of experience. They're all decision makers, whether they're providing drug-related advice or tending to the business side of their operations.

Unlike other similar groups, at Uniprix the opinions of our pharmacists and owner-pharmacists really count for something. We understand how many decisions they must make as heads of their retail stores and affiliated pharmacies, and as shareholders.

And for good reason: after all, Uniprix Group (Uniprix Inc.) belongs to them!

PERFORMANCE, BENEFITS, AND DISCIPLINED MANAGEMENT

As is the case with any corporation, Uniprix Group shareholders are entitled to expect an excellent return on their investment.

As we note year in and year out, Uniprix Group members are a contented group. And they certainly will be again this year, thanks to

- The overall performance described in this report
- Countless advantages, in the form of services provided to affiliated pharmacies in 2010

Our shareholders have basically come to expect the member services they receive from our excellent head office team. Our disciplined management has also become a hallmark of Uniprix Group success.

Uniprix has gone from a volume-purchasing group to a multifaceted one-stop shopping provider chock full of solutions. Definitely a major player in the health industry!

WE LIVE AND BREATHE CUSTOMER SERVICE

If we seem to attach as much importance to working with others as we do to running Uniprix Group, that's because our main reason for being comes down to welcoming and serving the people of Quebec.

So every idea, strategy, or action we take at Uniprix Group must be customer-driven, designed to attract and serve shoppers and make them loyal to all our retail outlets, whether they fly the Uniprix, Unipharm, Clinique Santé, or Uniclinique banner.

For example, we have two innovative programs—one involving re-engineering of our pharmacies, the other optimizing customer service—that launched in 2010 and will come into their own in 2011. This year we also began implementing the first generation of a new concept for our business side, in which the health/beauty sections overlook the cosmetics department.

AN ENVIABLE SENSE OF BELONGING

Our members' pride in belonging to Uniprix Group shines through, whether they're at our major yearly events (the annual general meeting, purchasing shows, conferences, or more) or collaborating with us on an individual basis.

This feeling of belonging comes through in various ways. Our shareholder members often exchange information on initiatives with one another and with our team, and they take part in various company activities that we support. They're also very receptive when it comes to our numerous pilot projects and take part in great numbers in the different training and motivational events that we hold annually for them and their managers, staff pharmacists, technical pharmacy assistants (TPAs), and others.

ONE-STOP SHOPPING—MORE IMPORTANT THAN EVER

Uniprix Group has evolved over the past years, due largely to its members' receptive attitudes.

While Uniprix Group has always been a one-stop-shopping provider offering a host of services to support our members' non-pharmacy activities, today we're taking things to new heights.

Our team also provides more and more support to help our pharmacists and owner-pharmacists manage their pharmacies, and offers substantial contributions—such as the Unilab program, among others—to help simplify daily activities and drive up profitability.

So our volume-purchasing group has turned into much more: a unique, multi-faceted one-stop-shopping provider loaded with solutions and definitely a major player in the health industry.



Normand Bonin
Chairman of
the Board of Directors

François Castonguay
President and CEO

A company where values count

“Become—and remain—Quebec’s largest independent pharmacist and owner-pharmacist group, where common concerns and individual shareholder interests count.”

That’s one way to describe the Uniprix Group mission. We’re flourishing throughout Quebec **thanks to five values that all our shareholder members embrace:**

Unity
Service
Respect
Uniformity
Sharing

A solid performance—and the best results ever!!

Uniprix Group is one of Quebec's most admired companies, and as you'll see in the pages and financial statements that follow, there are two main reasons why: we're in great shape financially, year after year, and we're positioned to play a major role in the retail pharmacy business.

Despite today's economic uncertainty, stiff competition, and changing consumer habits, Uniprix management has made the right moves and launched effective initiatives to achieve the best financial results in our history.

HOW DID WE DO IT? AT UNIPRIX, WE COUNTED ON

- ◆ Support from all head office departments
- ◆ Volume purchasing—our members have “strength in numbers”
- ◆ Solid, sustainable relationships with nearly 350 suppliers
- ◆ Attentiveness to consumer needs and intimate knowledge of the market
- ◆ Fourteen recently opened pharmacies

Unity

This is such a critical value for us—after all, the Uniprix Group name is derived from the word unity! It's also the company's guiding principle: become a group of independent pharmacists who have “unified” on the basis of common concerns and individual shareholder interests.



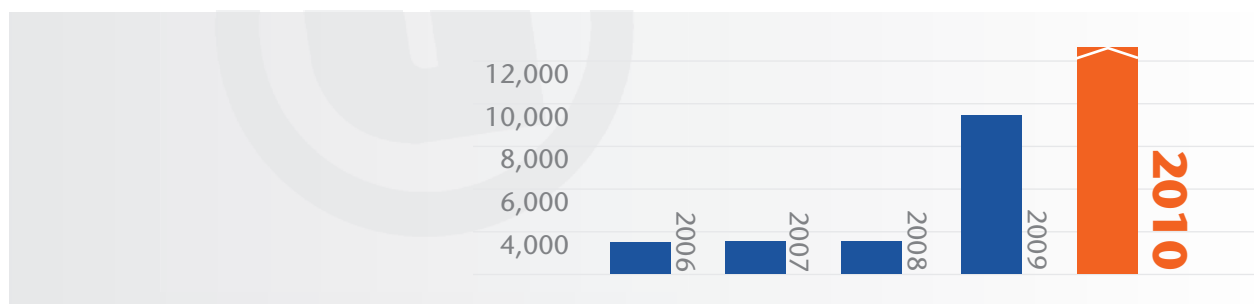
Patrick Martel, Isabelle Legrand, Dary Blanchet

ONCE AGAIN, OUR NUMBERS SPEAK FOR THEMSELVES!

Both net income and retained earnings reached new heights for a fifth consecutive year, at \$12.454 million and \$44.042 million. These are significant increases, 31% and 38% respectively.

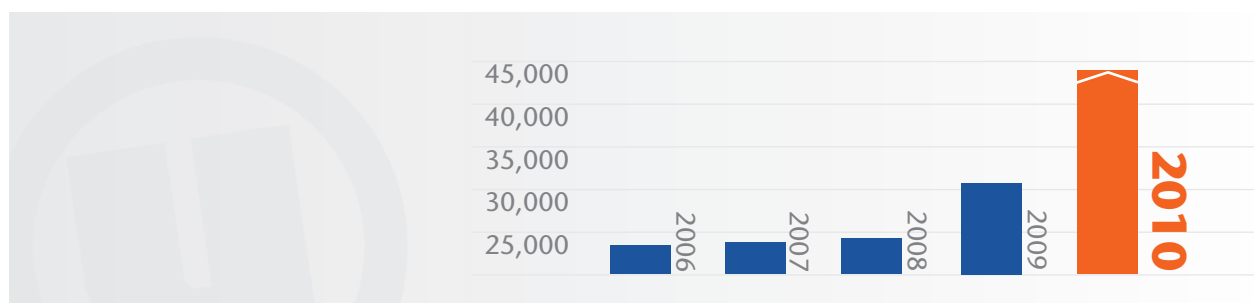
NET INCOME

(in thousands of dollars)



RETAINED EARNINGS

(in thousands of dollars)



Service

Whether we work as administrators, managers, or head office employees, we're here to serve Uniprix Group shareholders and affiliated pharmacies.

We owe both our existence and our shared prosperity to this unconditional commitment to service. And the concept of service, embodied by our members and their employees, is much appreciated by our customers.

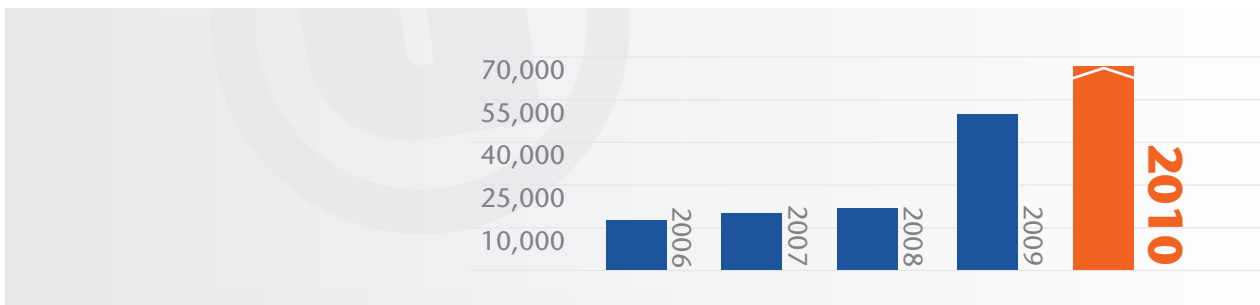


Christian Roby, Geneviève Dion, Éric Sansregret

Earnings per share (EPS) improved 32%, from \$50,790 to \$66,957, an historic high. Earnings before interest, taxes, depreciation, and amortization (EBITDA) also set new records, rising from \$18.834 million to \$21.322 million, a 13% increase.

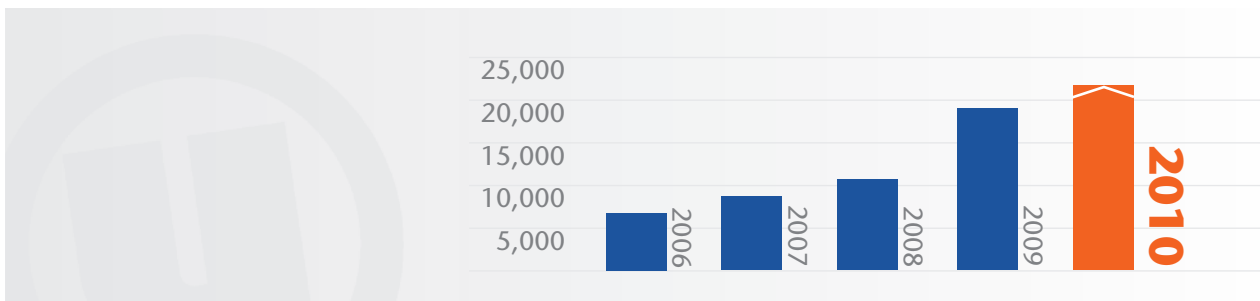
EARNINGS PER SHARE

(in dollars)



EBITDA

(in thousands of dollars)



Respect

At Uniprix Group, each and every one of our interpersonal relationships is founded on respect, whether we're dealing with shareholders, members of the Board of Directors, management, employees at the head office or in our pharmacies, business partners, or even competitors. We also believe in respecting our commitments.



Jean Beaulieu, Chemika Mamode, Stéphane Loyer

HIGHLIGHTS

Liquid Assets

Uniprix Group has maintained its liquidity level, upholding its commitments while making substantial investments in its pharmacy network. Doing so also allowed us to strategically position ourselves and distinguish Uniprix from the competition. For a second consecutive year, we ended the fiscal year without relying on bank overdrafts or credit lines. Our liquid assets were \$2.758 million compared to \$4.222 million for the previous fiscal year, with the difference attributable primarily to our substantial investments in new retail outlets.

Financial Ratios

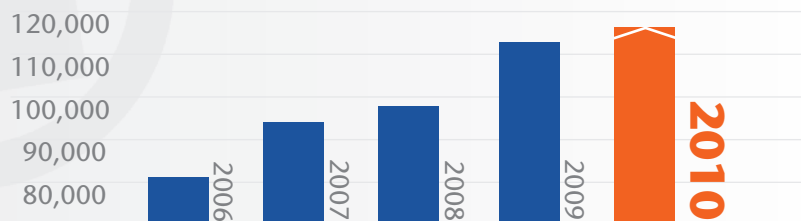
Our performance in 2010, together with sound management, helped reduce and stabilize our major financial ratios. The working capital ratio, which was 1.49 in 2009, now stands at 2.25. The debt to equity ratio, which was 2.14 in 2009, is now 1.23.

Revenues

Astute purchasing by our members, solid, sustainable relationships with numerous suppliers, and the opening of new retail locations helped our revenues grow. These factors were responsible for increasing revenues from negotiations and aiding our development department. As a result, revenues grew 4% from \$112.726 million to \$117.137 million.

TOTAL REVENUES

(in thousands of dollars)



Uniformity

One of the strengths of Uniprix Group lies in the consistent array of products and services we offer:

- For affiliated pharmacies (including concepts and operating procedures)
- For consumers, so it's always easy to shop at any Uniprix location



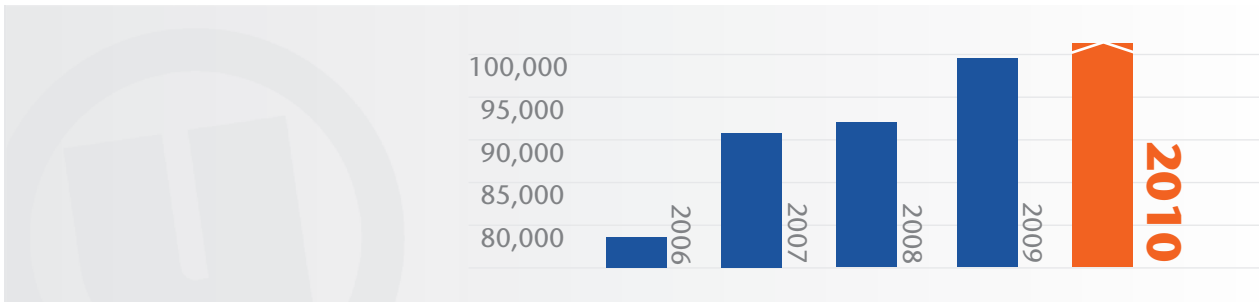
Martin Gagnon, Stéphanie Moffet, Maciek Zarzycki

Operating Expenses

At Uniprix, we always maintain a close watch on operating expenses. We commit to these expenses (in this case, \$62.759 million) based on the returns that we expect them to bring our shareholder members. In 2010, we succeeded in keeping a close handle on increases without impacting member services, all while injecting large sums into loss leaders. With financing costs lower than in the past, improved liquid assets also played a major role in helping to control operating expense increases. Operating expenses in 2010 were \$101.450 million compared to \$99.240 million in 2009, a 2% increase.

OPERATING EXPENSES

(in thousands of dollars)



Total Assets

Total assets decreased \$2.071 million or 2%, due to a reduction in goodwill as a result of business disposal during the fiscal year and fewer work in progress included in inventory.

Total Liabilities

Total liabilities decreased \$14.198 million or 21%. This drop is strongly attributable to lower accounts payable and accrued liabilities at the close of the year, income taxes, and deferred exclusive rights revenues in 2010.

Sharing

At Uniprix Group, we're committed to making life better for our fellow Quebecers—that's why we make substantial contributions to a host of community organizations.



Pierre Gravel, Sylvie Bougie, Marc Dontigny

RISKS AND UNCERTAINTIES

Given the number of customers comprising its clientele, Uniprix Inc. deems the credit risk associated with its accounts receivable to be low. As of December 31, 2010, the company had no significant credit risk exposure related to any account. These financial statements include figures that are based on judgments and estimates. The financial information contained elsewhere in this annual report is consistent with the data presented in the consolidated financial statements, audited by Behna, Cormier, Gougeon, Ouellette, S.E.N.C.R.L.



François Castonguay
President and CEO
Chief Financial Officer

A new class of quality

Uniprix Group's excellent financial health allowed us to enter many new markets in 2010. During that time we also welcomed a number of pharmacists as Uniprix Inc. members:

- Marc-Antoine Fortin and Marc-Étienne Cloutier (Beloeil)
- Chu Minh Anh and Pak Sophal (Bromont)
- David Rousseau (Candiac)
- Danny Laliberté and Marie-France Mercier (La Pocatière)
- Hassan Imad (Longueuil)
- Benoit Lemaire, Annie Lamontagne, and Stéphanie Moffet (Magog)
- Petr Dvorak, Mathieu Leroux, and Ly Hugues-Anh Chon (Pincourt)
- Julie Michaud-Belzile (Quebec City)
- Marie-Andrée D'Astous and Guy Ouellet (Quebec City)
- Élisabeth Poulin and Jean-François Trudel (St-Georges)
- Geneviève Dion and Phantavy Douang-Boulom (Salaberry-de-Valleyfield)
- Mylen Pellerin and Julien Bureau (Shawinigan)
- Maxim Fontaine (Sherbrooke)
- Geneviève Deschênes (Terrebonne)
- Louis Allard (Laval)

CONSOLIDATED INCOME

FOR THE YEAR ENDED DECEMBER 31
(in thousands of dollars)

	2010 \$	2009 \$
REVENUES	<u>117,137</u>	<u>112,726</u>
OPERATING EXPENSES		
Cost of goods sold	28,250	29,089
Services to Members, advertising and marketing	62,759	58,542
Administrative expenses (note 8)	6,766	6,602
Net financial expenses (revenues) (note 21)	(488)	594
Doubtful accounts (recovered)	(257)	539
Amortization (note 22)	2,610	2,491
Allowance for contingent loss on investments	1,174	-
Goodwill impairment (note 3)	636	1,383
	<u>101,450</u>	<u>99,240</u>
INCOME BEFORE OTHER ITEMS AND INCOME TAXES	<u>15,687</u>	<u>13,486</u>
OTHER ITEMS		
Gain on business disposal (note 5)	1,861	1,057
Gain on disposal of real estate property held for sale	-	24
Gain on disposal of real estate properties	-	58
	<u>1,861</u>	<u>1,139</u>
INCOME BEFORE INCOME TAXES	<u>17,548</u>	<u>14,625</u>
INCOME TAXES (note 23)	<u>5,094</u>	<u>5,086</u>
NET INCOME	<u>12,454</u>	<u>9,539</u>

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

CONSOLIDATED RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31
(in thousands of dollars)

	2010 \$	2009 \$
BALANCE, BEGINNING OF YEAR	31,915	22,587
Net income	<u>12,454</u>	<u>9,539</u>
	44,369	32,126
Refundable dividend tax on hand (note 6)	<u>327</u>	<u>211</u>
BALANCE, END OF YEAR	<u>44,042</u>	<u>31,915</u>

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



CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31
(in thousands of dollars)

ASSETS	2010	2009
	\$	\$
CURRENT ASSETS		
Cash	2,758	4,222
Accounts receivable (note 7)	31,462	33,237
Income taxes receivable	1,090	-
Inventories	921	2,014
Prepaid expenses	611	533
Real estate property held for sale (note 8)	253	-
Current portion of investments (note 9)	11,008	3,810
	<hr/>	<hr/>
	48,103	43,816
INVESTMENTS (note 9)	13,715	16,448
REAL ESTATE PROPERTIES (note 10)	5,705	6,295
CAPITAL ASSETS (note 11)	4,623	5,213
INTANGIBLE ASSETS (note 12)	11,837	8,133
FUTURE INCOME TAXES (note 23)	1,251	3,188
GOODWILL (note 3)	13,031	17,243
	<hr/>	<hr/>
	98,265	100,336
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The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (CONTINUED)

 AS AT DECEMBER 31
 (in thousands of dollars)

LIABILITIES	2010	2009
	\$	\$
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 14)	14,184	17,187
Income taxes payable	-	6,032
Deferred revenues	3,503	2,755
Debt related to property held for sale (note 15)	450	-
Current portion of long-term debt (note 16)	3,214	3,428
	<u>21,351</u>	<u>29,402</u>
LONG-TERM DEBT (note 16)	16,701	20,578
DEFERRED EXCLUSIVE RIGHTS REVENUES	16,118	18,388
	<u>54,170</u>	<u>68,368</u>
 SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 17)	47	47
CONTRIBUTED SURPLUS (note 18)	6	6
RETAINED EARNINGS	44,042	31,915
	<u>44,095</u>	<u>31,968</u>
	<u>98,265</u>	<u>100,336</u>

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

SIGNED ON BEHALF OF THE BOARD:



Normand Bonin, Director



Jacques Arsenault, Director



CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31
(in thousands of dollars)

OPERATING (note 20)	2010	2009
	\$	\$
Net income	12,454	9,539
Non-cash items:		
Suspended royalty payments capitalized to affiliation fees	(3,733)	(2,198)
Amortization (note 22)	2,610	2,491
Write-down of real estate property held for sale (note 8)	134	468
Allowance for contingent loss on investments	1,174	-
Goodwill impairment	636	1,383
Gain on business disposal (note 5)	(1,861)	(1,057)
Gain on disposal of real estate property held for sale	-	(24)
Gain on disposal of real estate properties	-	(58)
Future income taxes (note 23)	1,937	(2,405)
	<u>13,351</u>	<u>8,139</u>
Net change in non-cash items related to operations (note 20)	<u>(9,381)</u>	<u>6,470</u>
	<u>3,970</u>	<u>14,609</u>
 INVESTING (note 20)		
Business acquisition (note 3)	-	501
Net change in advances	(90)	350
Acquisition of assets held for sale	-	(30)
Proceeds from business disposal (note 5)	6,597	4,762
Increase in investments	(28,114)	(15,683)
Decrease in investments	22,695	28,574
Proceeds from disposal of real estate properties held for sale	-	858
Increase in real estate properties	-	(48)
Proceeds from disposal of real estate properties	-	585
Acquisition of capital assets	(545)	(486)
Acquisition of intangible assets	(2,189)	(1,537)
	<u>(1,646)</u>	<u>17,846</u>
Balance to carry forward	<u>2,324</u>	<u>32,455</u>

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

CONSOLIDATED CASH FLOWS
(CONTINUED)

 FOR THE YEAR ENDED DECEMBER 31
 (in thousands of dollars)

	2010	2009
	\$	\$
Balance carried forward	<u>2,324</u>	<u>32,455</u>
FINANCING (note 20)		
Net change in bank loan	-	(9,100)
Refundable dividend tax on hand	(327)	(211)
Increase in long-term debt	502	14,505
Repayment of long-term debt	(3,963)	(32,030)
Share issuance	2	2
Share redemption	(2)	(2)
	<u>(3,788)</u>	<u>(26,836)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,464)	5,619
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,222</u>	<u>(1,397)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>2,758</u>	<u>4,222</u>

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(tabular amounts are in thousands of dollars)

NOTE 1 — STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The Company, incorporated under the Canada Business Corporations Act, provides group purchasing, advertising and operational services to its Shareholders and Members (hereafter "Members").

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant for the Company.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and those of its wholly-owned subsidiaries "Corporation Financière Uniprix / Uniprix Financial Corporation", "6845754 Canada Inc." and "Unidis Inc.", as well as the accounts of its joint venture "Immeuble 2235 Galt Ouest", consolidated proportionally.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, as well as reported amounts of revenues and expenses for the period. Actual results could differ from those estimates.

Revenue recognition

The Company recognizes its revenues from the sale of goods when goods are shipped to the wholesaler or when clients receive the goods.

Royalties, which are calculated based on Members' sales figures, are recognized in income when earned.

Revenues from advertising, services to Members and real estate activities are recognized in income when services are rendered.

Revenues from investments and interest are recognized in income when earned. Revenues from rental are recognized using the straight-line method over the lease agreements period.

All revenues are recognized when reasonable assurance exists regarding collection.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank overdraft and highly liquid investments with maturity of less than three months.

Inventories

Inventories are measured at the lower of cost and net realizable value. When there is an increase in net realizable value of inventories following a write-down, the Company reverses the write-down previously recorded in order to increase the carrying value of inventories to their net realizable value, without exceeding their initial cost. The cost of inventories is determined using the first-in, first-out method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

(tabular amounts are in thousands of dollars)

NOTE 2— SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are recorded at cost less an allowance for contingent loss. An investment is classified as impaired when, in management's opinion, there has been a deterioration in the credit quality to the extent there is no longer assurance of timely collection of the full amount of principal and interest. In management's opinion, the allowance for contingent loss on investments recognized by the Company is sufficient. This allowance is determined on an item-by-item basis and reflects the associated credit loss. The allowance corresponds to the amount required to reduce the carrying value of an impaired investment to its estimated realizable amount determined according to management's estimates of forecasted recovery and fair value of securities held.

Real estate properties

Real estate properties held for rental are recorded at cost and are amortized over their useful lives, using the diminishing balance method at the rate of 4%.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated over their respective estimated useful lives, using the following methods, rate or terms:

	Methods	Rate or terms
Building	Diminishing balance	4%
Sign	Straight-line	10 years
Furniture and fixtures	Straight-line	3 to 10 years
Equipment	Straight-line	10 years
Rolling stock	Straight-line	3 years
Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	Lease term
Computer equipment under capital leases	Straight-line	3 years
Equipment under a capital lease	Straight-line	5 years



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

(tabular amounts are in thousands of dollars)

NOTE 2— SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Software is amortized using the straight-line method over three years, once they are put in service.

Affiliation fees, tenants inducements and rights to lease are amortized using the straight-line method over the agreement or the lease agreements period.

Non-compete agreements are amortized using the straight-line method over the agreement period, which is 5 years.

Development fees related to ergonomics at work will be amortized over a period of 3 years, from the date they will be marketed.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired. Goodwill is no longer amortized since January 1st, 2002 and, since then, is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The impairment test consists of comparing the fair value of the reporting unit related to the goodwill to its carrying value. When the carrying value exceeds the fair value of the goodwill, an impairment loss is recorded in income for the period during which the impairment occurs.

Deferred exclusive rights revenues

Revenues from exclusive rights agreements are deferred and amortized over the related agreements period using the straight-line method.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, current income taxes are recorded for the estimated income taxes payable for the year and future income taxes are recorded for temporary differences between tax values and carrying values of assets and liabilities. Enacted or substantively enacted tax rates are used to calculate future income taxes. The effect of a change in income tax rates is recorded during the year when the income tax rate becomes enacted or substantively enacted. Future income tax assets from loss carryforwards and temporary differences are recorded and a valuation allowance, if applicable, is recorded when it is more likely than not that the asset will not be realized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 3— BUSINESS ACQUISITION

During preceding year, the Company acquired 50% of the shares of "Unidis Inc.", now a wholly-owned subsidiary. The fair value of the net assets acquired details as follows:

	2010	2009
	\$	\$
Accounts receivable	-	863
Income taxes receivable	-	28
Inventories	-	754
Prepaid expenses	-	8
Capital assets	-	364
Intangible assets	-	495
Goodwill	-	5,494
Accounts payable and accrued liabilities	-	(817)
Future income taxes	-	(290)
Net assets acquired	<u>-</u>	<u>6,899</u>
Consideration:		
Deferred exclusive rights revenues	-	7,400
Cash received	-	(501)
	<u>-</u>	<u>6,899</u>

Changes in the carrying value of goodwill detail as follows:

Balance, beginning of year	17,243	15,978
Acquisition	-	5,494
Impairment ⁽¹⁾	(636)	(1,383)
Business disposal (note 5)	(3,576)	(2,846)
	<u>13,031</u>	<u>17,243</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

(tabular amounts are in thousands of dollars)

NOTE 3— BUSINESS ACQUISITION (CONTINUED)

⁽¹⁾ During the year 2009, certain points of sale for which a related goodwill was recorded, did not renew their affiliation agreement with the Company. The goodwill impairment was determined based on the relative fair value of the points of sale sold and the points of sale retained. Moreover, a goodwill impairment related to retained points of sale for an amount of \$636,000 was recorded during the year as a result of an estimate of future cash flows from their operations.

NOTE 4— INFORMATION ON JOINT VENTURES

The proportionate share of assets and liabilities of the joint ventures and the proportionate share of revenues and expenses, net income and cash flows of the joint ventures from acquisition date, detail as follows:

	2010	2009
	\$	\$
Current assets	43	46
Long-term assets	1,942	2,018
Current liabilities	66	52
Long-term liabilities	1,211	1,288
Revenues	255	2,410
Expenses	194	1,696
Net income	61	714
Cash flows related to the following activities:		
Operating	(1)	(29)
Investing	-	5,219
Financing	(57)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 5— GAIN ON BUSINESS DISPOSAL

During the year, the Company sold the assets held for sale for a total consideration of \$6,821,000 (\$5,238,000 in 2009). The gain on business disposal details as follows:

	2010	2009
	\$	\$
Net proceed from disposal		
Cash	6,601	4,788
Balance of sale	220	450
Selling expenses	(4)	(26)
	<u>6,817</u>	<u>5,212</u>
Assets sold		
Cash	-	8
Accounts receivable	-	85
Inventories	803	562
Capital assets	361	654
Intangible assets	216	-
Goodwill	3,576	2,846
	<u>4,956</u>	<u>4,155</u>
Net carrying value of assets sold		
Gain on business disposal	<u>1,861</u>	<u>1,057</u>

NOTE 6— REFUNDABLE DIVIDEND TAX ON HAND

The Company is classified as a "Canadian controlled private corporation" under the Income Tax Act. This status allows it to receive the refund of a portion of the income taxes it has paid. The cumulative balance of the refundable dividend tax on hand as at December 31, 2010, amounts to \$1,199,162. This amount may be refunded to the Company at the rate of \$1 for each \$3 of taxable dividends paid if the Company is still a "Canadian controlled private corporation" when dividends are paid.

NOTE 7— ACCOUNTS RECEIVABLE

	2010	2009
	\$	\$
Clients and Members	33,157	35,628
Allowance for doubtful accounts	(1,855)	(2,461)
Advances, no interest	160	70
	<u>31,462</u>	<u>33,237</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 8— REAL ESTATE PROPERTY HELD FOR SALE

Subsequent to year-end, the Company disposed of a real estate property at a lower price than the book value. As a result, an impairment of \$134,204 has been recorded in administration expenses. This real estate property, which includes a land and a building with book values of respectively \$43,234 and \$210,211, has been reclassified as a real estate property held for sale as at December 31, 2010.

NOTE 9— INVESTMENTS

	2010	2009
	\$	\$
Receivable from entities controlled by Members		
Note receivable, non interest bearing, receivable in monthly instalments of \$3,333, maturing in 2013	67	321
Notes receivable, interest ranging from 6% to 7.5% and from prime rate plus 1% to prime rate plus 3% (2009: prime rate to prime rate plus 3.25%), receivable in monthly instalments ranging from \$1,808 to \$70,768, maturing from 2011 to 2022	8,025	9,752
Demand notes, non-interest bearing	1,309	1,020
Advances, without interest or fixed repayment terms	197	526
Notes receivable, interest ranging from 5% to 7% and from prime rate plus 3% to prime rate plus 4% (2009: prime rate plus 3% to prime rate plus 3.75%), receivable in monthly instalments ranging from \$1,083 to \$9,934, maturing from 2011 to 2023	1,318	1,086
Demand notes, interest ranging from 5.5% to 6.45% and ranging from prime rate plus 1% to prime rate plus 3.75% (2009: 6.45% and from prime rate plus 2% to prime rate plus 3.75%)	15,305	7,280
Balance of sale of business, prime rate plus 3%, receivable in monthly instalments of \$3,125, maturing in December 2021	381	450
Advances, 6%, matured during the year	-	528
	26,602	20,963
Allowance for contingent loss	(1,879)	(705)
	24,723	20,258
Current portion of investments	11,008	3,810
	13,715	16,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 9— INVESTMENTS (CONTINUED)

The following table presents the investments classified by maturity dates:

	Less than a years	1 to 3 years	4 to 5 years	5 years or more	No maturity	Total 2010	Total 2009
	\$	\$	\$	\$	\$	\$	\$
Notes receivable							
Non-interest bearing	40	27	-	-	-	67	321
Bearing interest							
from 5% to 7.5%	759	2,181	1,603	2,871	-	7,414	8,337
from prime rate to prime rate plus 3%	200	500	246	329	304	1,579	2,501
Demand notes receivable							
Non-interest bearing	150	-	-	-	234	384	315
Bearing interest							
at 5.5%	650	-	-	-	207	857	228
from prime rate to prime rate plus 3.75%	8,754	-	-	-	4,869	13,623	7,052
Advances, non-interest bearing	197	-	-	-	-	197	526
Advances, 6%	-	-	-	-	-	-	528
Other investments	258	113	75	156	-	602	450
	<u>11,008</u>	<u>2,821</u>	<u>1,924</u>	<u>3,356</u>	<u>5,614</u>	<u>24,723</u>	<u>20,258</u>

Impaired investments and allowance for contingency loss detail as follows:

Impaired investments

	Total investment	Allowance	Net amount 2010	Net amount 2009
	\$	\$	\$	\$
Notes, prime rate plus 3%	350	350	-	-
Demand note, interest ranging from 0% to prime rate plus 3%	1,689	1,529	160	-
	<u>2,039</u>	<u>1,879</u>	<u>160</u>	<u>-</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 9— INVESTMENTS (CONTINUED)

Allowance for contingent loss on investments

	2010 \$	2009 \$
Balance, beginning of year	705	705
Expense for the year	<u>1,174</u>	<u>-</u>
Balance, end of year	<u>1,879</u>	<u>705</u>

NOTE 10— REAL ESTATE PROPERTIES

	Cost \$	2010 Accumulated amortization \$	Net value \$	2009 Net value \$
Land	1,218	-	1,218	1,262
Buildings	<u>6,420</u>	<u>1,933</u>	<u>4,487</u>	<u>5,033</u>
	<u>7,638</u>	<u>1,933</u>	<u>5,705</u>	<u>6,295</u>

Gross rental income was \$1,158,000 for the year (\$1,061,000 in 2009).

NOTE 11— CAPITAL ASSETS

	Cost \$	2010 Accumulated amortization \$	Net value \$	2009 Net value \$
Land	1,247	-	1,247	1,247
Building	3,918	1,625	2,293	2,342
Sign	99	51	48	15
Furniture and fixtures	289	218	71	63
Equipment	291	107	184	337
Rolling stock	18	1	17	-
Computer equipment	923	357	566	670
Leasehold improvements	86	34	52	263
Computer equipment under capital leases	198	158	40	104
Equipment under a capital lease	<u>336</u>	<u>231</u>	<u>105</u>	<u>172</u>
	<u>7,405</u>	<u>2,782</u>	<u>4,623</u>	<u>5,213</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

(tabular amounts are in thousands of dollars)

NOTE 12— INTANGIBLE ASSETS

		2010		2009
	Cost	Accumulated amortization	Net value	Net value
	\$	\$	\$	\$
Software development in progress	358	-	358	260
Software	1,078	590	488	294
Affiliation fees	13,044	2,578	10,466	6,556
Tenants inducements	204	127	77	100
Rights to lease	200	26	174	188
Non-compete agreements	1,055	862	193	735
Development fees related to ergonomics at work	81	-	81	-
	<u>16,020</u>	<u>4,183</u>	<u>11,837</u>	<u>8,133</u>

Changes in net book value of intangible assets detail as follows:

	2010	2009
Balance, beginning of year	8,133	6,515
Acquisitions	5,742	2,751
Business acquisition	-	495
Business disposal (note 5)	(216)	-
Amortization (note 22)	(1,822)	(1,628)
Balance, end of year	<u>11,837</u>	<u>8,133</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 13— CREDIT FACILITIES

The Company has an authorized line of credit of \$25,500,000. The line of credit is renewable annually and bears interest at prime rate. Fees of 0.25% are charged by the financial institution on the unused balance. It is secured by chattel mortgages of \$75,000,000 on all present and future properties of the Company, by a general assignment of accounts receivable, by a security according to section 427 of the Bank Act, by a chattel mortgage of \$30,000,000 on all the rights to lease of pharmacies and by the proceeds from insurance on the secured assets in favor of the bank.

The credit agreement includes certain covenants, which must be met by the Company at all times and a restriction on the endorsements the Company can provide.

As at December 31, 2010, all credit agreement covenants were in compliance.

NOTE 14— ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
	\$	\$
Accounts payable and accrued charges	12,851	15,779
Deferred royalties-Directors	69	127
Deferred royalties-others	-	93
Salaries and fringe benefits	1,263	1,151
Sales taxes	1	37
	<u>14,184</u>	<u>17,187</u>

NOTE 15— DEBT RELATED TO PROPERTY HELD FOR SALE

Term loan, 5.95%, secured by a first rank mortgage on the real estate property held for sale and by chattel mortgages on all present and future movable assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 16— LONG TERM DEBT

	2010	2009
	\$	\$
Term loans, interest ranging from prime rate to prime rate plus 1.25%, secured by first rank mortgages on real estate properties and by chattel mortgages on all the present and future movable assets, payable by monthly principal instalments ranging from \$4,347 to \$56,225 plus interest, maturing from 2013 to 2021, renewable in 2011, 2012 and 2014 ⁽¹⁾	11,958	13,550
Term loans, interest ranging from 5.95% to 6.76%, secured by first rank mortgages on real estate properties and by chattel mortgages on all the present and future movable assets, payable by monthly principal instalments ranging from \$3,333 to \$39,859 plus interest, maturing from 2017 to 2022, renewable in 2012 ⁽¹⁾	3,942	4,985
Term loans, prime rate, secured by mortgages on the land and building, payable by monthly principal instalments of \$14,722 plus interest, maturing in 2016, renewable in 2013 ⁽²⁾	1,060	1,237
Term loan, 5.86%, secured by the land and building and by a mortgage on all rental payments, payable by monthly instalments of \$15,806, principal and interest, renewable in 2013 ⁽¹⁾	1,271	1,328
Obligations under capital leases, 4.15% to 8%, payable by monthly instalments ranging from \$312 to \$14,810, principal and interest, maturing from August 2011 to December 2012	478	309
	<hr/>	<hr/>
Balance to carry forward	18,709	21,409
	<hr/>	<hr/>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 16— LONG TERM DEBT (CONTINUED)

	2010	2009
	\$	\$
Balance carried forward	18,709	21,409
Note payable, 6.5% until June 30, 2011 and prime rate plus 1% thereafter, payable by monthly instalments of \$7,353, principal and interest, maturing in 2016	407	467
Amounts due to Members, non-interest bearing, payable by annual instalments of \$400,000 in 2011, \$100,000 in 2012 and \$100,000 in 2013	600	780
Note payable, 7%, payable by monthly instalments of \$4,513, principal and interest, maturing in 2015	199	238
Notes payable, without interest, reimbursed during the year	-	1,112
	19,915	24,006
Current portion of long term debt	3,214	3,428
	16,701	20,578

⁽¹⁾ These term loans include certain covenants, which are all in compliance as at December 31, 2010.

⁽²⁾ (2) These term loans include certain covenants, including a minimum Shareholders' equity of \$20,000,000. These covenants are all in compliance as at December 31, 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 16— LONG TERM DEBT (CONTINUED)

Long term debt principal repayments and renewable balances over the next years are the following:

	Long-term debt	PAYABLE Obligations under capital leases	RENEWABLE
	\$	\$	\$
2011	2,850	312	70
2012	1,925	186	7,461
2013	1,131	-	1,673
2014	587	-	3,603
2015	96	-	-
Subsequently	41	-	-
	6,630	498	12,807
Interest included in minimum payments	-	20	-
	6,630	478	12,807

NOTE 17— SHARE CAPITAL

Authorized share capital

An unlimited number, without par value of :

Class A shares, voting, participating pari passu with the Class C shares, redeemable at \$250 per share

Class B shares, non voting, non-participating, redeemable at \$8.85 per share

Class C shares, voting, participating pari passu with Class A shares

	2010	2009
	\$	\$
Issued shares		
187 Class A shares	47	47

During the year, the Company issued 8 Class A shares for a cash consideration of \$2,000 (in 2009, issuance of 9 Class A shares for a cash consideration of \$2,250) and redeemed 8 Class A shares for a cash consideration of \$2,000 (in 2009, redemption of 9 Class A shares for a cash consideration of \$2,250).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 18— CONTRIBUTED SURPLUS

The contributed surplus results from the excess of the paid-up capital of Class A shares over the cash consideration paid on redemption. The excess represents \$63 in 2010 (none in 2009).

NOTE 19— COMMITMENTS

The commitments of the Company under operating leases aggregate to \$7,175,000. The instalments over the next five years are the following:

	\$
2011	2,625
2012	2,200
2013	1,683
2014	567
2015	100

The Company is committed under long-term leases for commercial premises maturing from 2011 to 2030, which aggregate to \$87,644,033 and include the following instalments over the next five years:

2011	10,463
2012	10,368
2013	9,854
2014	9,427
2015	8,369

The Company subleases the whole of the premises from these leases to its Members and companies controlled by Members under the same terms and conditions. Since the Company acts solely as an intermediary, and is not the principal obligor in these arrangements, neither the sublease revenue nor the rent expenditure is recorded in income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 20 — CASH FLOWS

	2010	2009
	\$	\$
Net change in non-cash items related to operations		
Accounts receivable	1,865	(4,020)
Inventories	290	26
Prepaid expenses	(78)	(87)
Accounts payable and accrued liabilities	(2,814)	560
Deferred revenues	748	(673)
Deferred exclusive rights revenues	(2,270)	3,997
Income taxes	(7,122)	6,667
	<u>(9,381)</u>	<u>6,470</u>
Additional information		
Interest paid	966	2,574
Interest received	1,737	1,167
Income taxes paid	10,949	1,830
Income taxes received	343	794
Financing and investing activities not involving cash		
Balance of sale receivable following a business disposal	220	450
Affiliation fees financed by amounts due to Members	600	780
Business acquisition in consideration of an exclusive rights agreement	-	7,400
Unpaid capital assets	62	251

NOTE 21 — NET FINANCIAL EXPENSES (REVENUES)

	2010	2009
	\$	\$
Interest and penalties	51	169
Bank charges	165	158
Interest on bank loan	651	757
Interest on long-term debt	297	634
Investment revenues	(1,652)	(1,124)
	<u>(488)</u>	<u>594</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 22— AMORTIZATION

	2010	2009
	\$	\$
Real estate properties	203	284
Capital assets	585	579
Intangible assets	1,822	1,628
	<u>2,610</u>	<u>2,491</u>

NOTE 23— INCOME TAXES

The combined statutory tax rate on income of the Company is 29.9% (30.9% in 2009). The reconciliation between the income tax expense calculated at the aforementioned statutory tax rate and the actual income tax expense is as follows:

	2010	2009
	\$	\$
Income taxes at the combined statutory tax rate	5,247	4,519
Increase (decrease):		
Decrease in future statutory rate	(40)	386
Gain on business disposal non-taxable	(159)	(82)
Goodwill impairment	67	163
Other non-deductible elements	114	115
Decrease for investment income	(119)	(37)
Impairment of real estate property	40	-
Prior years income taxes	(87)	57
Other - net	31	(35)
	<u>5,094</u>	<u>5,086</u>
Comprising:		
Current income taxes	3,157	7,491
Future income taxes	1,937	(2,405)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010
(tabular amounts are in thousands of dollars)

NOTE 23— INCOME TAXES (CONTINUED)

The following table presents future income taxes resulting from temporary differences between the carrying value and tax basis of assets and liabilities:

	2010	2009
	\$	\$
Investments	246	-
Real estate properties and capital assets	91	68
Intangible assets and goodwill	(3,994)	(2,253)
Deferred exclusive rights revenues	4,384	5,112
Obligations under capital leases	37	86
Other long-term debt	163	233
Non-capital losses	324	428
Other	-	(486)
	1,251	3,188

NOTE 24— RELATED PARTY TRANSACTIONS

The following table presents a summary of the related party transactions concluded by the Company with entities controlled by members of the Board of Directors:

	2010	2009
	\$	\$
Revenues	4,533	2,684
Investment revenues	-	58

These transactions were concluded in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At the balance sheet date, these balances are receivable from these related parties:

	2010	2009
	\$	\$
Accounts receivable	1,984	2,193
Investments	199	521

During the year 2009, the Company paid affiliation fees of \$162,500 to an entity controlled by a member of the Board of Directors. This transaction, which was not in the normal course of business, was measured at the exchange amount since there was a substantive change in the ownership of the assets acquired.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

(tabular amounts are in thousands of dollars)

NOTE 25— FINANCIAL INSTRUMENTS

CREDIT RISK

The Company carries out, on a continuing basis, credit checks on its clients and reviews credit history of each new customer. The Company establishes allowances for contingent credit losses taking into account the credit risk of particular clients, historical trends and other information. These clients adhere to the credit policies they are granted. A significant portion of accounts receivable relates to Members. However, the Company is not exposed to any important credit risk related to a particular client.

INTEREST RATE RISK

The Company issued notes receivable and demand notes, has available a line of credit and contracted long-term debt bearing floating interest rates. Consequently, it is exposed to an interest rate risk resulting from the fluctuation in the prime rate. However, a prime rate change of 1% would have no significant effect on the Company's income or financial position.

FAIR VALUE

The fair value of cash, accounts receivable and accounts payable and accrued liabilities approximates carrying value because of their short-term maturity.

The fair value of long-term investments, substantially all of which have been granted to Members, and non-interest bearing notes payable, all of which are owed to suppliers, was not determined since these balances result from transactions carried out to maintain or to develop privileged commercial relationships, and do not necessarily reflect terms and conditions that would have been negotiated with arm's length parties.

The fair value of the long-term debt, determined by discounting future cash flows, is estimated at \$20,151,000.

NOTE 26— CONTINGENCIES

The Company is involved in and potentially subject to various claims by third parties arising out of the normal course and conduct of its business including, but not limited to, product liability, labour and employment and taxation. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to these consolidated financial statements.

NOTE 27— PENSION PLAN

The Company provides a simplified defined contributions pension plan to its employees. The Company contributes \$1 for each \$1 contribution paid by the employee, up to a maximum of 3% of gross salary. Contributions paid by the Company for the year ended December 31, 2010 totalled \$250,626 (\$243,238 in 2009).

REGARDING THE PRESENTATION OF FINANCIAL INFORMATION

The Uniprix Inc. consolidated financial statements and all information contained in this annual report are management's responsibility and have been approved by the Board of Directors.

The consolidated financial statements were prepared by management in accordance with Canadian generally accepted accounting principles. When there was an option to apply different accounting methods, management chose the methods it deemed most appropriate given the circumstances.

The main accounting standards used are indicated in Note 2 to the consolidated financial statements. The financial statements contain certain figures that are based on estimates and judgments. Management determined these amounts in a reasonable manner to ensure the financial statements are presented fairly in all material respects. Management also prepared the financial information that is presented elsewhere in the annual report and ensured it was consistent with the consolidated financial statements.

Uniprix maintains internal accounting and administrative control systems designed to provide a reasonable degree of certainty that the financial information is relevant, reliable, and accurate and that Uniprix's assets are correctly recorded and well protected.

The Board of Directors is charged with ensuring management fulfills its duties regarding the presentation of the financial information and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility primarily through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all its members are external directors. The Audit Committee meets periodically with management and external auditors to discuss internal controls and questions relating to accounting, auditing and the presentation of financial information; ensure all parties correctly fulfill their duties; and review the consolidated financial statements and the independent auditor's report. The Audit Committee shares its findings with the Board of Directors when it approves publication of the consolidated financial statements for shareholders.

The consolidated financial statements were audited on behalf of shareholders by independent auditors Behna, Cormier, Gougeon, Ouellette, S.E.N.C.R.L. in compliance with Canadian generally accepted auditing standards. The independent auditors had full and free access to the Audit Committee.

President and CEO
Chief Financial Officer



François Castonguay



To the Shareholders of UNIPRIX INC.

We have audited the accompanying consolidated financial statements of UNIPRIX INC., which comprise the consolidated balance sheet as at December 31, 2010, and the consolidated statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of UNIPRIX INC. as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

 *Béatrice Tremblay-Lapierre* S.E.N.C.R., L. (1)

Montréal
May 4, 2011

(1) CA auditor permit n° 10058

