



## Susser Holdings Reports Strong 3rd Quarter Results

**- Merchandise sales increase 12.6% / Same-store sales up 7.9% - Total revenues 11.4% higher / Gross profit increases 3.3% - Town & Country acquisition complete**

CORPUS CHRISTI, Texas, Nov 14, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Susser Holdings Corporation (Nasdaq: SUSS) today reported that its third quarter 2007 merchandise sales increased 12.6 percent to \$108.2 million, versus \$96.1 million a year ago. Total revenues increased 11.4 percent to \$674.0 million, from \$605.1 million in the same quarter of 2006. Gross profit increased 3.3 percent to \$66.5 million, compared with \$64.3 million in the year-ago quarter.

Adjusted EBITDA(1) declined 8.5 percent to \$16.8 million, compared with \$18.3 million in the prior year's third quarter, reflecting lower retail fuel margin of 15.8 cents per gallon versus the record-high margin of 21.0 cents per gallon realized a year ago. Net income totaled \$4.8 million, down 34.2 percent versus \$7.4 million in the third quarter of 2006. Diluted earnings per share was \$0.29, compared with \$0.79 in the year-ago quarter, reflecting both the effect of lower retail fuel margins and an increase in shares outstanding following the Company's October 2006 initial public offering.

"We had strong operational and financial performance across every category in the third quarter," said Susser Holdings President and Chief Executive Officer Sam L. Susser. "Although fuel gross profit fell by \$3.3 million from the record-high levels we saw in the third quarter a year ago, it was still well above the average margin we've seen over the last five years. And this was substantially offset by strong year-over-year increases in both retail merchandise sales and retail merchandise margins, with continued strong performance by our Laredo Taco Company restaurant service.

"With our acquisition of Town & Country Food Stores now complete, we look forward to welcoming the Town & Country team to Susser and to beginning the process of integrating the two companies. This is our largest acquisition ever in terms of both dollars and store count, and we believe it has the potential to significantly enhance shareholder value by expanding our footprint, adding geographic diversity and providing additional fill-in growth opportunities," he said.

### New Convenience Store/Wholesale Dealer Site Update

During the third quarter of 2007, Susser opened two new large-format convenience stores -- both with Laredo Taco Company restaurants -- increasing the total store count at September 30 to 331. The Company also added two Laredo Taco kitchens to existing stores, bringing the total number of stores with Laredo Taco Company to 160. Susser opened two additional stores in October, and nine more are currently under construction or under contract. The Company now expects to add a total of 18-20 new stores for all of 2007. Also during October, Town & Country opened one new store, which replaced an older store that was closed, leaving its total current store count at 168 but adding an additional Country Cookin' restaurant. Town & Country now has restaurants in 114 of its stores.

In its wholesale operations, Susser added five new dealer sites and discontinued two during the quarter, for a total of 377 dealer sites in operation at the end of the third quarter. Susser expects to add a total of 25 to 30 new dealer sites for all of 2007. Similar to the retail division, new sites typically outperform sites that are closed or where fuel supply is discontinued.

### Third Quarter Financial Highlights

Merchandise sales from Susser's convenience stores totaled \$108.2 million during the third quarter of 2007, an increase of 12.6 percent overall and 7.9 percent on a same-store basis. This strong growth in the retail merchandise segment was led by healthy performance by the Company's Laredo Taco Company restaurants, strong sales of packaged drinks and snacks, and by the impact of a dollar-a-pack increase in the cigarette excise tax in Texas. Total merchandise gross profit for the quarter increased 16 percent to \$35.9 million. Net merchandise margin was 33.2 percent -- an increase of 100 basis points from a year ago. This improvement is primarily the result of favorable mix changes, selected price increases and focused promotional efforts to drive sales and gross profit dollars.

Retail store fuel volumes increased 13.1 percent to 108.9 million gallons for the latest quarter, reflecting a 10.7 percent increase in average gallons sold per site versus a year ago, along with the opening of 17 new retail stores over the past four quarters. The favorable per-store comparison is in part the result of the re-branding of the Company's fuel islands to the Valero brand during the year-earlier quarter, which slightly reduced our fuel volumes during the conversion process and in part

due to investments back into our store base. Retail fuel gross margins declined to 15.8 cents per gallon from 21.0 a year ago, resulting in a 14.7 percent decrease in retail fuel gross profit to \$17.2 million. Although third quarter 2007 retail fuel margins were lower than the record levels of a year ago, they exceeded the Company's five-year average margin of about 13 cents a gallon.

Wholesale fuel volumes sold to Susser's 377 dealers and other third-party customers increased 5.2 percent to 118.8 million gallons in the third quarter. Wholesale fuel revenues increased 7.2 percent to \$268.3 million as a result of both the volume increase and a 2 percent increase in average wholesale fuel selling prices. Wholesale fuel gross margin was 6.3 cents per gallon, versus 6.9 cents per gallon a year ago. Wholesale fuel gross profit decreased 4.6 percent to \$7.4 million, reflecting slightly higher wholesale fuel purchasing costs.

#### Year-to-Date Results

For the first nine months of 2007, Susser reported a merchandise sales increase of 11.2 percent from the comparable period a year ago to \$307.5 million. Total revenues increased by 6.6 percent versus 2006 to \$1.9 billion. Gross profit increased by 6.2 percent to \$183.4 million. Adjusted EBITDA(1) increased by 4.9 percent to \$41.3 million year over year. Net income totaled \$8.7 million, or \$0.52 per diluted share, versus \$7.2 million, or \$0.77 per diluted share, in the first nine months of 2006.

#### 2007 Guidance

The Company is reaffirming and updating its existing 2007 guidance range as follows:

	2007 Guidance	9-Months Performance
Merchandise Same-Store Sales Growth	4.5%-6.5%	6.5%
Merchandise Margin, Net of Shortage	31-33%	32.5%
Retail Average Per-Store Gallons Growth	2-6%	3.7%
Retail Fuel Margins	12.0-15.0 cents/gallon	15.0 cents/gallon
Wholesale Fuel Margins	4.0-5.5 cents/gallon	5.2 cents/gallon
New Retail Stores*	18-20**	9
New Wholesale Dealer Sites*	25-30**	17

\* Does not reflect store closures, which are typically much lower volume locations than new sites.

\*\* Upper end of retail stores was lowered by 2 stores and wholesale dealer sites was lowered by 5.

#### Investor Conference Call and Webcast

Susser's management team will hold a conference call on Thursday, November 15, 2007, at 11 a.m. EST (10 a.m. CST) to discuss second quarter results. To participate in the call, dial (303) 262-2141 at least 10 minutes before the call begins and ask for the Susser conference call. A replay will be available approximately two hours after the call ends and will be accessible through November 22. To access the replay, dial (303) 590-3000 and enter the pass code 11100253#.

The conference call will also be accessible via Susser's Web site at <http://www.susser.com>. To listen to the live call, please visit the Investor Relations page of Susser's Web site at least 10 minutes early to register and download any necessary software. An archive will be available shortly after the call for approximately 60 days.

#### About Susser Holdings Corporation

Corpus Christi, Texas-based Susser Holdings Corporation is a third generation family led business that operates more than 500 convenience stores in Texas, New Mexico and Oklahoma under the Stripes, Town & Country and Village Market banners. Restaurant service is available in more than 270 of its stores, primarily under the proprietary Laredo Taco Company and Country Cookin' brands. The Company also supplies branded motor fuel to more than 375 independent dealers through its wholesale fuel division.

#### Forward-Looking Statements

This news release contains "forward-looking statements" describing Susser's objectives, targets, plans, strategies, costs, anticipated capital expenditures, expected cost savings, costs of our store re-branding initiatives, expansion of our food service offerings, potential acquisitions and new store openings and dealer locations. These statements are based on current plans and expectations and involve a number of risks and uncertainties that could cause actual results and events to vary materially, including but not limited to: competition from other convenience stores, gasoline stations, supermarkets, hypermarkets and other wholesale fuel distributors; changes in economic conditions; volatility in energy prices; successful integration and anticipated future financial performance and trends of Town & Country; political conditions in key crude oil producing regions; wholesale cost increases of tobacco products; adverse publicity concerning food quality, food safety or other health concerns related to our restaurant facilities; consumer behavior, travel and tourism trends; devaluation of the Mexican peso or restrictions on access of Mexican citizens to the U.S.; unfavorable weather conditions; changes in state and federal regulations; dependence on one principal supplier for merchandise, two principal suppliers for gasoline and one principal provider for transportation of substantially all of our motor fuel; financial leverage and debt covenants; changes in debt ratings; inability to identify, acquire and integrate new stores; dependence on senior management; acts of war and terrorism; and other unforeseen factors. For a full discussion of these and other risks and uncertainties, refer to the "Risk Factors" section of the Company's annual report on Form 10-K for the year ended December 31, 2006. These forward-looking statements are based on and include our estimates as of the date hereof. Subsequent events and market developments could cause our estimates to change. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if new information becomes available, except as may be required by applicable law.

(1) Adjusted EBITDA is a non-GAAP financial measure of performance and liquidity that has limitations and should not be considered as a substitute for net income or cash provided by (used in) operating activities. Please refer to the discussion and tables under "Reconciliations of Non-GAAP Measures" at the end of this news release for a discussion of our use of adjusted EBITDA and a reconciliation to net income and cash provided by operating activities for the periods presented.

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Financial statements follow

Susser Holdings Corporation  
 Consolidated Statements of Operations  
 Unaudited

	Three Months Ended		Nine Months Ended	
	October 1, 2006	September 30, 2007	October 1, 2006	September 30, 2007
	(dollars in thousands, except per share amounts)			
Revenues:				
Merchandise sales	\$96,141	\$108,227	\$276,653	\$307,517
Motor fuel sales	503,484	559,665	1,483,537	1,569,360
Other income	5,479	6,130	17,383	18,590
Total revenues	605,104	674,022	1,777,573	1,895,467
Cost of Sales:				
Merchandise	65,163	72,306	186,128	207,593
Motor fuel	475,479	534,998	1,418,295	1,503,615
Other	138	245	471	828
Total Cost of Sales	540,780	607,549	1,604,894	1,712,036
Gross Profit	64,324	66,473	172,679	183,431

Operating Expenses:				
Personnel	17,388	19,833	51,746	57,736
General and Administrative	5,120	7,283	14,536	19,531
Other Operating	17,198	17,175	48,413	48,627
Rent	5,567	6,135	16,651	18,255
Royalties	996	-	2,847	66
Gain on disposal of assets and impairment charge	2	275	(277)	83
Depreciation, amortization and accretion	6,115	7,987	17,672	21,472
Total operating expenses	52,386	58,688	151,588	165,770
Income from operations	11,938	7,785	21,091	17,661
Other income (expense):				
Interest expense	(4,670)	(2,944)	(14,088)	(8,730)
Other miscellaneous	106	122	217	318
Total other income (expense)	(4,564)	(2,822)	(13,871)	(8,412)
Minority interest in income (loss) of consolidated subsidiaries				
	(14)	1	(47)	(32)
Income before income taxes	7,360	4,964	7,173	9,217
Income tax expense	-	(123)	-	(503)
Net income	\$7,360	\$4,841	\$7,173	\$8,714
Net income per share:				
Basic	\$0.80	\$0.29	\$0.78	\$0.52
Diluted	\$0.79	\$0.29	\$0.77	\$0.52
Weighted average shares outstanding:				
Basic	9,230,404	16,705,404	9,230,404	16,705,404
Diluted	9,298,695	16,776,347	9,294,012	16,771,968

Susser Holdings Corporation  
Consolidated Balance Sheets

December 31, 2006  
September 30, 2007  
audited unaudited  
(in thousands)

Assets

Current assets:

Cash and cash equivalent	\$32,938	\$40,182
Accounts receivable, net of allowance for doubtful accounts of \$1,179 at December 31, 2006 and \$1,066 at September 30, 2007	44,084	59,325
Inventories, net	37,296	42,949
Assets held for sale	518	-

Other current assets	1,884	1,452
Total current assets	116,720	143,908
Property and equipment, net	232,454	238,481
Other assets:		
Goodwill	44,762	44,762
Intangible assets, net	17,492	15,296
Other noncurrent assets	10,899	14,560
Total other assets	73,153	74,618
Total Assets	\$422,327	\$457,007
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$84,838	\$99,035
Accrued expenses and other current liabilities	20,711	27,264
Total current liabilities	105,549	126,299
Long term debt	120,000	120,000
Deferred gain, long-term portion	27,060	26,207
Other noncurrent liabilities	7,918	11,862
Total long-term liabilities	154,978	158,069
Minority interests in consolidated subsidiaries	630	674
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.01 par value, 125,000,000 shares authorized, 16,824,162 issued and outstanding as of December 31, 2006, 16,831,662 issued and outstanding as of September 30, 2007	168	168
Additional paid-in capital	166,398	168,479
Retained earnings (deficit)	(5,396)	3,318
Total shareholders' equity	161,170	171,965
Total liabilities and shareholders' equity	\$422,327	\$457,007

#### Reconciliations of Non-GAAP Measures to GAAP Measures

We define EBITDA as net income before net interest expense, income taxes and depreciation, amortization and accretion. Adjusted EBITDA further adjusts EBITDA by excluding cumulative effect of changes in accounting principles, discontinued operations, non-cash stock-based compensation expense and certain other operating expenses that are reflected in our net income that we do not believe are indicative of our ongoing core operations, such as significant non-recurring transaction expenses and the gain or loss on disposal of assets and impairment charges. Adjusted EBITDAR adds back rent to adjusted EBITDA. In addition, those expenses that we have excluded from our presentation of adjusted EBITDA and adjusted EBITDAR (along with our royalty expenses, marketing expenses, management fees and other items) are also excluded in measuring our covenants under our revolving credit facility and the indenture governing our senior notes.

We believe that adjusted EBITDA and adjusted EBITDAR are useful to investors in evaluating our operating performance because:

- they are used as a performance and liquidity measure under our subsidiaries' revolving credit facility and the indenture governing our

- senior notes, including for purposes of determining whether they have satisfied certain financial performance maintenance covenants and our ability to borrow additional indebtedness and pay dividends;
- securities analysts and other interested parties use them as a measure of financial performance and debt service capabilities;
  - they facilitate management's ability to measure operating performance of our business because they assist us in comparing our operating performance on a consistent basis since they remove the impact of items not directly resulting from our retail convenience stores and wholesale motor fuel distribution operations;
  - they are used by our management for internal planning purposes, including aspects of our consolidated operating budget, capital expenditures, as well as for segment and individual site operating targets; and
  - they are used by our board of directors and management for determining certain management compensation targets and thresholds.

EBITDA, adjusted EBITDA and adjusted EBITDAR are not recognized terms under GAAP and do not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA, adjusted EBITDA and adjusted EBITDAR have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include:

- they do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect significant interest expense, or the cash requirements necessary to service interest or principal payments on our revolving credit facility or senior notes;
- they do not reflect payments made or future requirements for income taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, adjusted EBITDA and adjusted EBITDAR do not reflect cash requirements for such replacements; and
- because not all companies use identical calculations, our presentation of EBITDA, adjusted EBITDA and adjusted EBITDAR may not be comparable to similarly titled measures of other companies.

The following table presents a reconciliation of net income to EBITDA, adjusted EBITDA and adjusted EBITDAR:

	Three Months Ended		Nine Months Ended	
	October 1, 2006	September 30, 2007	October 1, 2006	September 30, 2007
	(in thousands)			
Net income	\$7,360	\$4,841	\$7,173	\$8,714
Depreciation, amortization and accretion	6,115	7,987	17,672	21,472
Interest expense, net	4,670	2,944	14,088	8,730
Income tax expense	-	123	-	503
EBITDA	\$18,145	\$15,895	\$38,933	\$39,419
Non-cash stock based compensation	113	715	339	2,074
Management fee	175	-	547	-
Gain on disposal of assets	2	275	(277)	83

Other miscellaneous	(106)	(122)	(216)	(318)
Adjusted EBITDA	\$18,329	\$16,763	\$39,326	\$41,258
Rent expense	5,567	6,135	16,651	18,255
Adjusted EBITDAR	\$23,896	\$22,898	\$55,977	\$59,513

The following table presents a reconciliation of net cash provided by operating activities to EBITDA, adjusted EBITDA and adjusted EBITDAR:

	Nine Months Ended	
	October 1, 2006	September 30, 2007
	(in thousands)	
Net cash provided by operating activities	\$28,487	\$32,609
Changes in operating assets & liabilities	(3,649)	(222)
Gain on disposal of assets	277	(83)
Non-cash stock based compensation expense	(339)	(2,074)
Minority interest	(37)	(44)
Fair market value in nonqualifying derivatives	106	-
Income taxes	-	503
Interest expense, net	14,088	8,730
EBITDA	\$38,933	\$39,419
Non-cash stock based compensation expense	339	2,074
Management fee	547	-
Gain on disposal of assets	(277)	83
Other miscellaneous	(216)	(318)
Adjusted EBITDA	\$39,326	\$41,258
Rent expense	16,651	18,255
Adjusted EBITDAR	\$55,977	\$59,513

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