



Susser Holdings Reports Record Fourth Quarter, Full Year 2007 Results

Fourth quarter same-store merchandise sales up 11.7%, merchandise margin increases 45 basis points to 32.7%

CORPUS CHRISTI, Texas, March 12, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Susser Holdings Corporation (Nasdaq: SUSS) today reported that its total fourth quarter 2007 merchandise sales -- including approximately seven weeks of contribution from Town & Country Food Stores -- increased 54.1 percent to \$136.7 million, versus \$88.7 million a year earlier for the stand-alone Susser operation.

Total revenues increased 68.6 percent to a record \$821.9 million from \$487.6 million in the fourth quarter of 2006. Gross profit, including the partial quarter's contribution from Town & Country, increased 61.6 percent to a record \$77.7 million, compared with \$48.1 million in the year-ago quarter from the stand-alone Susser operation.

Adjusted EBITDA(1) increased 189.0 percent to \$17.0 million, compared with \$5.9 million in the prior year's fourth quarter, reflecting the Town & Country contribution, along with stronger results from the merchandise segment and sharply higher combined retail fuel margins of 14.1 cents per gallon, versus 9.2 cents per gallon realized a year ago.

The Company recorded net income of \$7.5 million in the fourth quarter, or \$0.44 per diluted share, versus a net loss of \$10.9 million, or \$0.72 per diluted share, in the year-earlier quarter. The fourth quarter of 2007 included a non-recurring tax benefit of \$6.6 million, or \$0.39 per diluted share, related to the release of the Company's remaining tax valuation allowance. The fourth quarter of 2006 included a \$7.1 million non-recurring charge, or \$0.46 per diluted share, related to the redemption of \$50 million of senior notes in November 2006. The year-over-year improvement in what is typically a seasonally weak quarter reflects an 11.7 percent same-store merchandise sales increase, higher merchandise margins and significantly stronger fuel margins, as well as the contribution from Town & Country.

For the full year 2007 -- including the seven week contribution from Town & Country -- merchandise sales increased 21.6 percent from a year ago to \$444.2 million. Total revenues increased 20.0 percent to \$2.7 billion, and gross profit increased 18.3 percent to \$261.1 million. Adjusted EBITDA(1) increased 28.9 percent to \$58.3 million. Net income totaled \$16.3 million, or \$0.97 per diluted share, versus a net loss of \$3.7 million, or \$0.35 per diluted share, for the full year 2006. Net results for the full year 2007 were positively impacted by the release of the total \$9.8 million, or \$0.58 per diluted share, tax valuation allowance established in 2006 when the Company became a taxable corporation concurrent with its initial public offering. Net results for the full year 2006 were negatively impacted by a charge of \$0.33 per diluted share related to the redemption of notes in the fourth quarter.

To show more comparable results for both years, Susser is also providing pro forma financial results for both years reflecting the Town & Country acquisition as well as the October 2006 IPO. On a pro forma(2) basis, the Company reported earnings of \$0.50 per diluted share for the full year 2007 versus earnings of \$0.21 per diluted share for the full year 2006, and adjusted EBITDA(1) was \$99.9 million for 2007 versus \$80.8 million for 2006.

"2007 was an outstanding year for Susser Holdings," said Susser President and Chief Executive Officer Sam L. Susser. "We saw very strong gains in our merchandise segment and higher-than-average retail fuel margins for the year. We doubled the size of our pro forma adjusted EBITDA through the acquisition of Town & Country Food Stores, which gave us a leadership position in attractive markets in West Texas and Eastern New Mexico as well as opportunities to realize operating leverage and cost synergies across the combined companies.

"Looking at the fourth quarter of 2007," Susser said, "our merchandise segment continued to benefit from the marketing and store operations programs we began in early 2007, which drove customer traffic and transaction size. Same-store sales growth from Stripes stores was the highest we've seen in eight years. Retail fuel sales also benefited from the higher traffic, and retail fuel margins were roughly a nickel a gallon higher than they were a year ago. The contribution of Town & Country for the last seven weeks of the quarter further boosted our financial and operating metrics across the board."

New Convenience Store/Wholesale Dealer Site Update

During the fourth quarter of 2007, the Company opened nine new retail units, bringing the total number of stores built and

acquired in 2007 to 186, including 18 new retail stores plus the 168 acquired Town & Country stores. Also during the fourth quarter, four retail locations were closed, bringing the total retail store count to 504 as of December 30. Three additional stores have been opened since year-end. The Company also opened restaurants in 11 stores in the fourth quarter and closed two, which, combined with the 113 located in the acquired Town & Country stores, brings the total number of stores with restaurant operations to 282, or 56 percent, at year-end.

In its wholesale operations, Susser added 13 new dealer sites and discontinued three during the fourth quarter, for a total of 387 dealer sites in operation at the end of 2007. Similar to the retail division, new sites typically outperform sites that are closed or where fuel supply is discontinued.

Integration Highlights

As reported earlier, the Company has signed new contracts with its major grocery/merchandise and beverage suppliers. It is continuing to negotiate new combined supply agreements with additional merchandise vendors and is actively working to improve its motor fuel supply chain in its new markets.

This summer the Company plans to rebrand two to three Town & Country locations in West Texas as Stripes locations as a test program in anticipation of rolling out a rebranding program for all Town & Country locations that is expected to commence in the fourth quarter of 2008.

Expected Merger Synergies

Susser expects to achieve combined annual cost synergies of \$5 million through the integration of the Susser and Town & Country organizations. General and administrative expense synergies of \$1 million are expected for 2008 and \$2 million annually for 2009. Marketing synergies of \$3 million annually are anticipated, with approximately \$1 million to be realized in 2008, reaching the full \$3 million of savings for 2009. It should be noted that Town & Country's motor fuel margins were several cents higher in 2007 than historical levels. Expected synergies in merchandise and operating expenses could be offset by a return to historical fuel margin levels.

Fourth Quarter Financial and Operating Highlights

Convenience store merchandise sales, including seven weeks of Town & Country's contribution, totaled \$136.7 million during the fourth quarter of 2007, an increase of 54.1 percent overall; approximately two-thirds of this increase in sales volume was attributable to Town & Country locations. On a same-store basis for Stripes stores alone, merchandise sales increased 11.7 percent for the quarter. This unusually strong growth in the retail merchandise segment was led by increases in cigarette, food service, packaged drinks, beer and snack sales. Cigarette sales increased in part due to the impact of a dollar-a-pack increase in the cigarette excise tax in Texas effective January 2007.

Total merchandise gross profit for the fourth quarter net of shortages increased 56.3 percent to \$44.6 million; nearly two-thirds of this increase in gross profit was attributable to Town & Country stores. Net merchandise margin on a combined store basis was 32.7 percent -- an increase of 45 basis points from a year ago -- with both regions experiencing similar margins. The increase is due to the benefits of marketing and operations programs that began in early 2007, partly offset by the impact of the cigarette margin tax, which increases revenues but decreases margins.

Retail store fuel volumes increased 46.9 percent to 139.2 million gallons for the fourth quarter; approximately three-fourths of this increase in volume was attributable to Town & Country locations. Excluding the Town & Country contribution, average gallons sold per Stripes location increased 9.1 percent from the fourth quarter of 2006. 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 impacted our fuel volumes during the conversion process -- and in part due to investments back into our store base. Retail fuel sales increased 98.6 percent to \$397.9 million, driven by the additional Stripes and Town & Country volumes and a 35.2 percent increase in the retail price of fuel. Gross margins increased to 14.1 cents per gallon from 9.2 a year ago, which resulted in a 126 percent increase in retail fuel gross profit, to \$19.6 million.

Wholesale fuel volumes sold to Susser's 387 dealers and other third-party customers increased 5.3 percent to 116.2 million gallons in the fourth quarter. Wholesale fuel revenues increased 45.3 percent to \$280.0 million as a result of both the volume increase and a 38 percent increase in average wholesale fuel selling prices. Wholesale fuel gross margin was 5.5 cents per gallon, versus 4.5 cents per gallon a year earlier. Wholesale fuel gross profit increased 28.1 percent to \$6.4 million, reflecting higher wholesale fuel selling prices.

2008 Guidance

The Company has issued the following guidance for 2008:

2007

2007

2006

	2008 Guidance	Actual Results	Pro Forma (d)	Pro Forma (d)
Merchandise Same- Store Sales Growth	4.5%-6.0% (a)	7.7% (a)	8.6%	6.6%
Merchandise Margin, Net of Shortage	32.0%-34.0%	32.5%	32.4%	33.3%
Retail Average Per-Store Gallons Growth	2.0%-6.0%	5.9%	3.7%	6.0%
Retail Fuel Margins(Cents per Gallon)	12.5-16.0	14.7	16.6	14.6
Wholesale Fuel Margins (Cents per Gallon)	4.0-5.5	5.3		
New Retail Stores	16-22 (b)	18 (b)		
New Wholesale Dealer Sites	25-35 (b)	30 (b)		
Gross Capital Spending	\$80-\$110 million	\$89.8 million (c)		
Net Capital Spending	\$35-\$45 million	\$42.7 million (c)		

- (a) We include a store in the same-store sales base in its 13th month of our operation; therefore, Town & Country stores will be excluded from our same-store sales base until December 2008.
- (b) 2007 retail store actual does not include 168 Town & Country locations acquired in November 2007. Numbers for both years do not reflect existing retail or wholesale store closures, which are typically much lower volume locations than new sites.
- (c) Excludes acquisition of Town & Country Food Stores and \$51.2 million of net proceeds from sale/leaseback of Town & Country properties concurrent with the acquisition.
- (d) Pro forma results as if Town & Country had been included in the Company's operations for all of 2006 and 2007.

Of the new stores to be constructed in 2008, an estimated two-thirds are planned for the Company's Southern Region, which includes the South Texas/Rio Grande Valley areas, and one-third is planned in the Western Region, which includes West Texas/Eastern New Mexico. The Company expects to finance the majority of the cost of its new store construction program through sale/leaseback transactions of new locations.

- (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.
- (2) Pro forma numbers are adjusted to show results as if the November 13, 2007 Town & Country acquisition as well as the October 2006 IPO had occurred at the beginning of each fiscal year presented. See the Pro Forma Condensed Consolidated Statements of Operations in this earnings release. These transactions are also more fully described in Footnotes 3 and 4 of the Company's Form 10-K for 2007, which will be filed March 14, 2008 with the U.S. Securities and Exchange Commission.

Motor fuel	379,414	651,820	1,797,709	2,155,435
Other	(50)	304	421	1,132
Total Cost of Sales	439,487	744,183	2,044,381	2,456,219
Gross Profit	48,099	77,712	220,778	261,143
Operating Expenses:				
Personnel	17,542	24,723	69,288	82,459
General & Administrative	4,842	8,413	19,377	27,944
Operating	13,540	20,308	61,953	68,935
Rent	6,043	7,567	22,694	25,822
Royalties	727	-	3,574	66
Loss (gain) on disposal of assets and impairment charge	277	107	-	190
Depreciation, amortization and accretion	5,744	8,472	22,780	29,469
Total operating expenses	48,715	69,590	199,666	234,885
Income (loss) from operations	(616)	8,122	21,112	26,258
Other income (expense):				
Interest expense, net	(10,476)	(6,947)	(25,201)	(16,152)
Other miscellaneous	235	117	452	435
Total other income (expense)	(10,241)	(6,830)	(24,749)	(15,717)
Minority interest in income of consolidated subsidiaries	(14)	(10)	(61)	(42)
Net income (loss) before income taxes	(10,871)	1,282	(3,698)	10,499
Income tax (expense) benefit	(48)	6,256	(48)	5,753
Net income (loss)	\$(10,919)	\$7,538	\$(3,746)	\$16,252
Earnings per common share:				
Basic	\$(0.72)	\$0.45	\$(0.35)	\$0.97
Diluted	\$(0.72)	\$0.44	\$(0.35)	\$0.97
Weighted average shares outstanding:				
Basic	15,226,833	16,822,071	10,729,511	16,734,571
Diluted	15,226,833	17,017,075	10,729,511	16,817,417

SUSSER HOLDINGS CORPORATION
Consolidated Balance Sheets

December 31, December 30,
2006 2007
(in thousands)

Assets

Current assets:

Cash and cash equivalents	\$32,938	\$7,831
Accounts receivable, net of allowance for doubtful accounts \$1,179 at December 31,		

2006 and \$1,360 at December 30, 2007	44,084	69,368
Inventories, net	37,296	69,577
Assets held for sale	518	903
Other current assets	1,884	8,209
Total current assets	116,720	155,888
Property and equipment, net	232,454	410,745
Other assets:		
Goodwill	44,762	248,809
Intangible assets, net	17,492	25,497
Other noncurrent assets	10,899	12,753
Total other assets	73,153	287,059
Total assets	\$422,327	\$853,692
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$84,838	\$127,756
Accrued expenses and other current liabilities	20,711	39,406
Current maturities of long-term debt	-	3,937
Deferred purchase price - TCFS acquisition, current	-	10,000
Total current liabilities	105,549	181,099
Long-term debt	120,000	374,754
Revolving line of credit	-	34,640
Deferred gain, long-term portion	27,060	31,511
Deferred tax liability, long-term portion	-	27,145
Other noncurrent liabilities	7,918	20,068
Total long-term liabilities	154,978	488,118
Minority interests in consolidated subsidiaries	630	684
Commitments and contingencies		
Common stock, \$.01 par value; 125,000,000 shares authorized; 16,824,162 issued and outstanding as of December 31, 2006; 17,006,662 issued and 16,995,338 outstanding as of December 30, 2007	168	170
Additional paid-in capital	166,398	172,765
Retained earnings (deficit)	(5,396)	10,856
Total shareholders' equity	161,170	183,791
Total liabilities and shareholders' equity	\$422,327	\$853,692

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 certain 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		Year Ended	
	December 31, 2006	December 30, 2007	December 31, 2006	December 30, 2007
	(in thousands)			
Net income	\$(10,919)	\$7,538	\$(3,746)	\$16,252
Depreciation, amortization and accretion	5,744	8,472	22,780	29,469
Interest expense, net	10,476	6,947	25,201	16,152
Income tax expense				

(benefit)	48	(6,256)	48	(5,753)
EBITDA	\$5,349	\$16,701	\$44,283	\$56,120
Non-cash stock-based compensation	463	355	803	2,429
Management fee	44	-	591	-
Loss on disposal of assets	277	107	-	190
Other miscellaneous (a)	(235)	(117)	(452)	(435)
Adjusted EBITDA	\$5,898	\$17,046	\$45,225	\$58,304
Rent expense	6,043	7,567	22,694	25,822
Adjusted EBITDAR	\$11,941	\$24,613	\$67,919	\$84,126

(a) Other miscellaneous charges represent income from a non-consolidated joint venture and other non-operating income.

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

	Year Ended	
	December 31, 2006	December 30, 2007
	(in thousands)	
Net cash provided by operating activities	\$25,613	\$27,700
Changes in operating assets & liabilities	(6,054)	6,424
Gain on disposal of assets	-	(190)
Stock based compensation expense	(803)	(2,429)
Minority interest	(52)	(54)
Deferred income tax	-	14,270
Fair market value in nonqualifying derivatives	330	-
Income Taxes	48	(5,753)
Interest expense, net	25,201	16,152
EBITDA	\$44,283	\$56,120
Non-cash stock based compensation expense	803	2,429
Management fee	591	-
Gain on disposal of assets	-	190
Other miscellaneous (a)	(452)	(435)
Adjusted EBITDA	\$45,225	\$58,304
Rent expense	22,694	25,822
Adjusted EBITDAR	\$67,919	\$84,126

(a) Other miscellaneous charges represent income from a non-consolidated joint venture and other non-operating income.

SUSSER HOLDINGS CORPORATION
Pro Forma Condensed Consolidated Statements of Operations
(Unaudited)

	Pro Forma Year Ended	
	December 31, 2006	December 30, 2007
	(In thousands, except per share amounts)	
Revenues:		
Merchandise sales	\$576,549	\$654,427
Motor fuel sales	2,429,045	2,818,379
Other income	29,833	33,374
Total revenues	3,035,427	3,506,180
Cost of sales:		

Merchandise (f)	385,144	439,314
Motor fuel (f)	2,312,401	2,683,942
Other	421	1,131
Total cost of sales	2,697,966	3,124,387
Gross profit	337,461	381,793
Operating expenses:		
Personnel	104,060	115,038
General and administrative	27,488	36,564
Operating	94,040	101,797
Rent (g)	28,236	30,806
Royalties (e)	3,574	66
Loss on disposal of assets and impairment charge	3	150
Depreciation, amortization, and accretion (h)	33,017	41,211
Total operating expenses	290,418	325,632
Income from operations	47,043	56,161
Interest expense (a, b, i)	(41,748)	(41,398)
Other miscellaneous income (expense)	295	392
Income before income taxes	5,590	15,155
Income taxes (c, j)	(2,018)	(6,691)
Pro forma net income	\$3,572	\$8,464
Pro forma earnings per common share (d):		
Basic	\$0.21	\$0.51
Diluted	\$0.21	\$0.50
Pro forma weighted average shares outstanding (d):		
Basic	16,705,404	16,734,571
Diluted	16,771,155	16,817,417

The pro forma adjustments reflected in 2006 above related to the IPO are as follows:

- (a) Elimination of \$0.2 million amortization of prepaid loan costs related to the redemption of \$50.0 million of senior notes with proceeds from the IPO. Also eliminates \$1.8 million write-off of unamortized loan costs.
- (b) Elimination of \$5.3 million interest expense related to the redemption of \$50.0 million of senior notes with proceeds from the IPO. Also eliminates the \$5.3 million prepayment penalty.
- (c) Recording of an income tax provision at an effective rate of 36%.
- (d) Reflecting earnings per share as if the corporate formation and IPO occurred at the beginning of the fiscal year, and reflecting the pro forma adjustments noted above. Dilutive shares were calculated using the treasury stock method and assuming an average stock price from October 19, 2006 to December 29, 2006 of \$18.78.
- (e) No adjustment has been made to royalty expense, which terminated during the first quarter of 2007 as the conversion from Circle K to Stripes was completed.

The pro forma adjustments reflected in 2006 and 2007 above related to the acquisition of Town and Country are as follows:

- (f) Elimination of the impact of the write down of inventory to the LIFO basis of \$0.3 million in 2006 and \$2.6 million in 2007.
- (g) Reflecting the additional rent expense related to the sale leaseback transaction closed as part of the acquisition as if it had occurred at the beginning of the fiscal year of \$4.3 million for 2006 and \$3.7 million for 2007.
- (h) Reflecting the increase in depreciation expense from the valuation of fixed assets to fair market value and the elimination of depreciation expense for assets sold in the sale leaseback as if the acquisition had occurred at the beginning of the fiscal year of \$0.4 million decrease for 2006 and \$0.7 million increase for 2007.
- (i) Reflecting the increase in interest expense related to the issuance of \$105.0 million in bank debt and \$150.0 million of senior notes and the amortization of the related prepaid loan costs. Also eliminates the interest expense related to the payoff of the existing Town and Country debt of \$134.1 million.
- (j) Recording of an income tax provision at an effective rate of 36% plus margin tax of 0.5% of gross profit for 2007.

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

	Pro Forma Year Ended	
	December 31, 2006	December 30, 2007
Pro forma net income	\$3,572	\$8,464
Depreciation, amortization and accretion	33,017	41,211
Interest expense, net	41,748	41,398
Income tax expense	2,018	6,691
Pro forma EBITDA	\$80,355	\$97,764
Non-cash stock-based compensation	803	2,429
Loss (gain) on disposal of assets	3	150
Other miscellaneous (a)	(356)	(435)
Pro forma adjusted EBITDA	\$80,805	\$99,908
Rent expense	28,236	30,806
Pro forma adjusted EBITDAR	\$109,041	\$130,714

- (a) Other miscellaneous charges represent income from a non-consolidated joint venture and other non-operating income.

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