



# Parkland Income Fund 2007 Annual Meeting



**Strong, Strategic, Successful**

President and CEO Address  
Mike Chorlton

May 2008

---

## Parkland Income Fund is listed on the TSX (PKI.UN)

*Certain information included herein is forward-looking. Forward-looking statements include, without limitation, statements regarding the future financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving Parkland. Many of these statements can be identified by looking for words such as “believe”, “expects”, “expected”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, or similar words. Parkland believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties some of which are described in the Fund’s annual report, annual information form and other continuous disclosure documents. Such forward-looking statements necessarily involve known and unknown risks and uncertainties and other factors, which may cause the Fund’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general economic, market and business conditions; industry capacity; competitive action by other companies; refining and marketing margins; the ability of suppliers to meet commitments; actions by governmental authorities including increases in taxes; changes in environmental and other regulations; and other factors, many of which are beyond the control of Parkland. Any forward-looking statements are made as of the date hereof and the Fund does not undertake any obligation, except as required under applicable law, to publicly update or revise such statements to reflect new information, subsequent or otherwise.*



---

# Parkland News

- Record Breaking 2007 results
- Q1 results demonstrate the value of Commercial acquisitions
- Wiebe Transport Inc. acquired February 28<sup>th</sup>
- NOCO Energy acquisition set for May 30<sup>th</sup>



---

# Vision, Mission and Values

- Our Vision

The market leader in Customer loyalty, Employee engagement and Investor confidence.

- Our Mission

The most trusted source of convenience for fuel and related products focused on non-urban markets.

- Our Values

- Integrity
- People
- Teamwork
- Success



---

# Vision, Mission and Values

- Our Vision

The market leader in Customer loyalty, Employee engagement and Investor confidence.

- Our Mission

The most trusted source of convenience for fuel and related products focused on non-urban markets.

- Our Values

- Integrity
- People
- Teamwork
- Success



# Board of Directors



# Senior Leadership Team



# Value Based Leadership Team



# Neufeld



# UPPI



# Parkland Overview

## Western Canada's Leading Independent Fuel Marketer

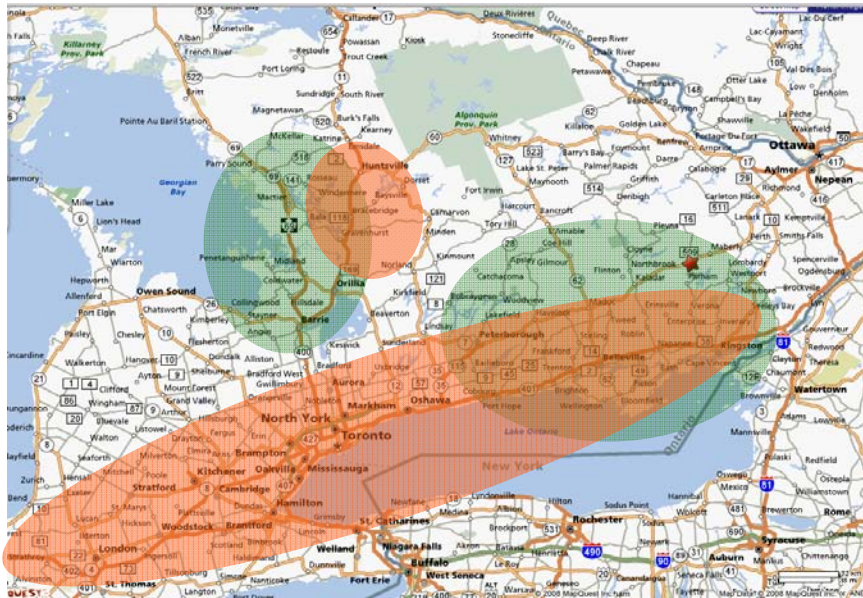




- Strong and growing network of retail fuel and convenience stores.
- Established commercial fuel, propane, ag inputs, lubes and industrial chemicals distribution network.
- Bowden refinery utilized for storage and contract processing.



# Parkland Overview

## Entering Eastern Canada



-  Esso RBD – North & East of Toronto
-  Sunoco Kingston – Windsor Corridor & North of Toronto



- New entry to Eastern Canada through Esso RBD and Sunoco dealers.
- Established wholesale sales network.



# Investment Highlights

- 5 year trend of strong, improving results
  - 2007 EBITDA grew 63% to \$115 million vs. 2006
  - Q1 2008 EBITDA of \$ 17.2 million. Second best Q1 ever.
- Strong balance sheet and strong, growing distributions
  - 9 distribution increases since conversion in April 2002
- Base retail fuel business on track
  - Rebranding / new builds / rationalization
  - Expanded Esso distributorship, soon in 4 provinces
  - New Eastern Canada opportunity
  - Non-fuel margin growth
- Commercial acquisitions strengthen Parkland's market position, improve scale and purchasing power, and further diversifies the business
  - With reduced seasonality
  - Platform for growth in new segment
- Strong portfolio of product supply agreements
- Continue to find accretive acquisitions which fit our strategy



# Parkland Financial Profile

■ Listing (TSX)	PKI.UN
■ Unit Price (April 30)	\$12.49
■ Units Outstanding	50.3 million
■ Market Capitalization	\$628.2 million
■ Term Debt	\$ 33.8 million
■ Enterprise Value	\$662.0 million
■ Q1 EBITDA - 2008	\$ 17.2 million
- 2007	\$ 23.1 million
- 2006	\$ 11.3 million
■ Monthly Distribution	\$0.105 per unit
■ Special Distributions –	
□ December 31, 2007	\$0.77 per unit



---

# Strategic Approach



# Strategic Focus

- Parkland has maintained a common strategic focus in recent years
- Four strategic pillars:
  - Growth in volume and cash flow
  - Increase competitiveness
  - Manage overall business risk
  - Enhance organizational effectiveness
- Target markets
  - Fuel and related products and services
  - Non-urban

**Think like a Major, Act like an Independent**



# Strategic Focus: Stakeholders

These strategies come together to serve our key stakeholders:

## Our Unitholders

- ✓ Overall Return
- ✓ Consistent Distributions
- ✓ Growth Potential

## Our People

- ✓ Positive Environment
- ✓ Ongoing Learning
- ✓ Reward
- ✓ Challenge

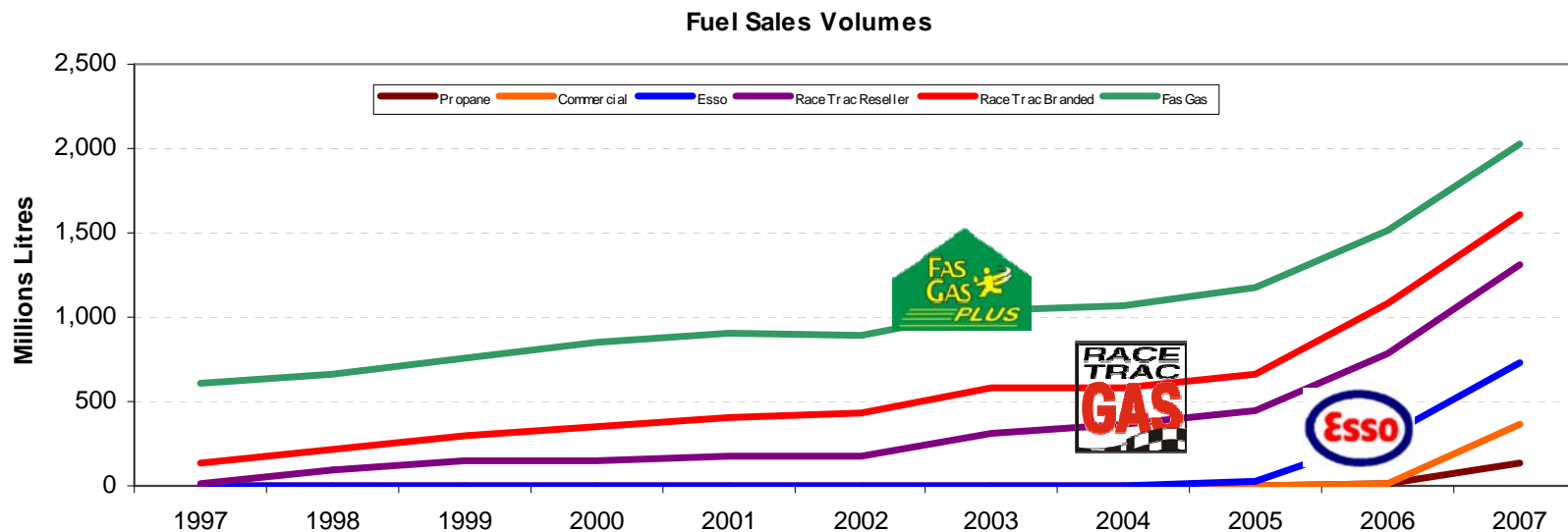
## Our Customers

- ✓ Attractive Value Proposition
- ✓ Positive Retail Experience
- ✓ Connected to our Communities



# Strategic Focus: Growth

*Strong growth in volume and cash flow*

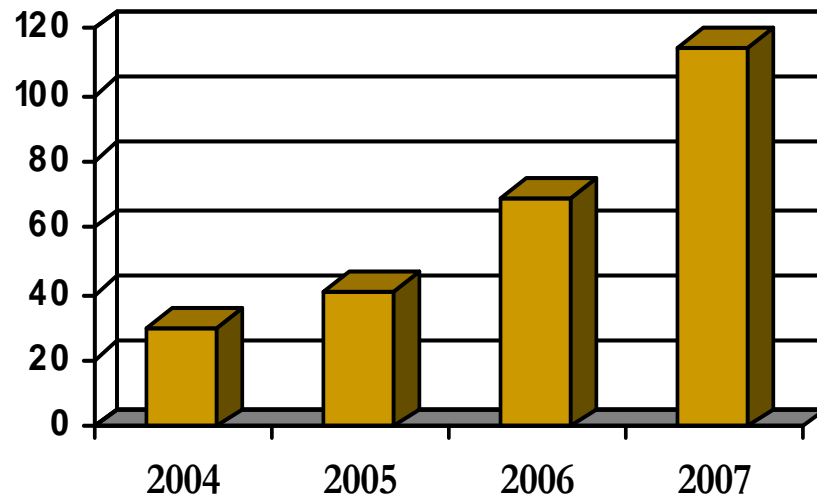


- 2007 Parkland growth driven by Commercial acquisitions
- Neufeld acquisition offered a new customer segment in our base geography and complementary products
- UPPI expanded geography and doubled lubes business
- Fuel includes gasoline, diesel, heating oil and propane

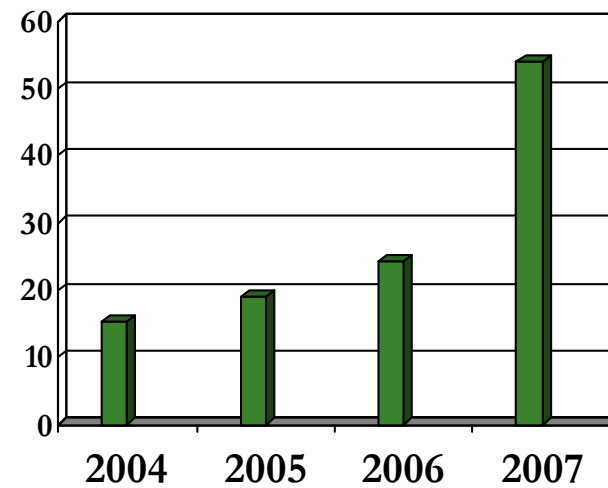


# Strategic Focus: Growth

■ EBITDA in \$millions



■ Non-Fuel Margins in \$millions

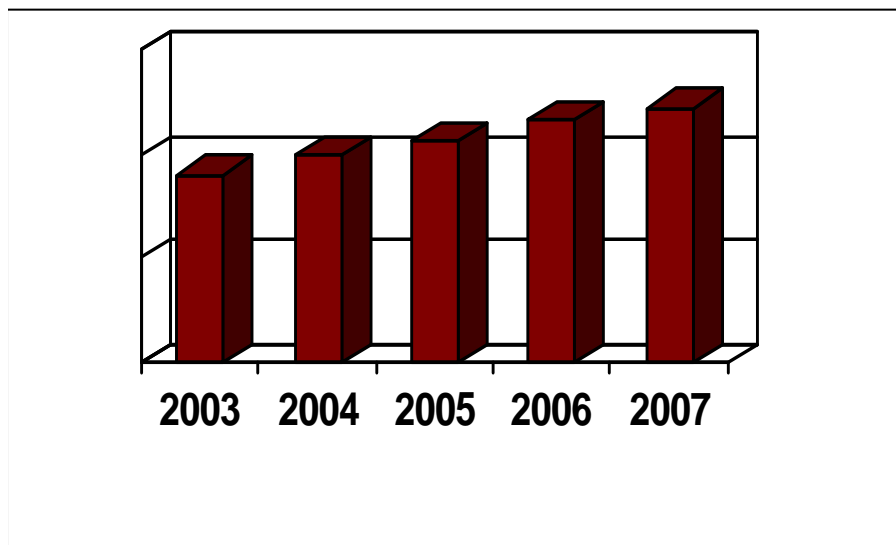


**Strong, consistent growth in EBITDA and non-fuel margins**

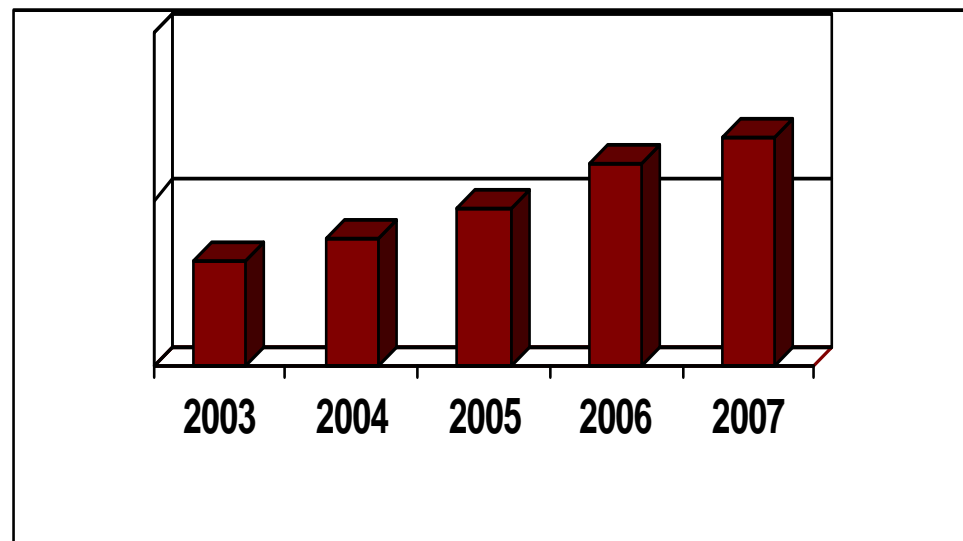


# Strategic Focus: Increase Competitiveness

Average Retail Site Volume



Retail Site Non-Fuel Margin



\* Volumes, non-fuel margins and site costs work together to determine net unit operating cost.

**Site volumes and non-fuel margins drive retail competitiveness**



---

# Strategic Focus: Increase Competitiveness

- Parkland maintains supply from each of the 3 major regional refiners
  - Superior supply portfolio
  - Long-term agreements
  - Participation in Refiners Margin
- Beaver Hills project study
  - Condensate / Chemical stream based plant producing fuel / benzene
  - \$300 million capital
  - Year end decision
  - Production 2011
  - Parkland exclusive gasoline and diesel marketers



---

# Strategic Focus: Managing Risk

- Parkland actively manages overall business risk through:
  - Increased focus on non-fuel revenues
  - Active supply chain management
  - Conservative financial management
  - Increased diversification through geographic expansion
  - Continued focus on non-urban markets
  - Enhanced environmental, health and safety performance



---

# Strategic Focus: Organizational Effectiveness

- Big push on developing common culture as we acquire and grow
  - Vision, Mission, Values deployment
  - Extensive training program in Value Based Leadership
- Strengthening Human Resources Organization



# Ethics Awareness Session



---

# Operational and Financial Performance



# Operational and Financial Performance

## 2007 Performance Measures

	<b>2007</b>	2006	2005
Fuel Volume (millions of litres)	<b>2,030</b>	1,501	1,177
Merchandise Sales (\$ million)	<b>64.5</b>	59.6	45.0
Gross Margin (\$ million)	<b>232.5</b>	138.0	96.4
EBITDA (\$ million)	<b>115.0</b>	70.7	41.2
Total Distributions (\$ million)	<b>90.5</b>	56.2	23.9

- Volumes driven by Commercial acquisitions
- Merchandise Sales driven by marketing programs and site development
- Margins related to volume growth and industry margins



# Operational and Financial Performance

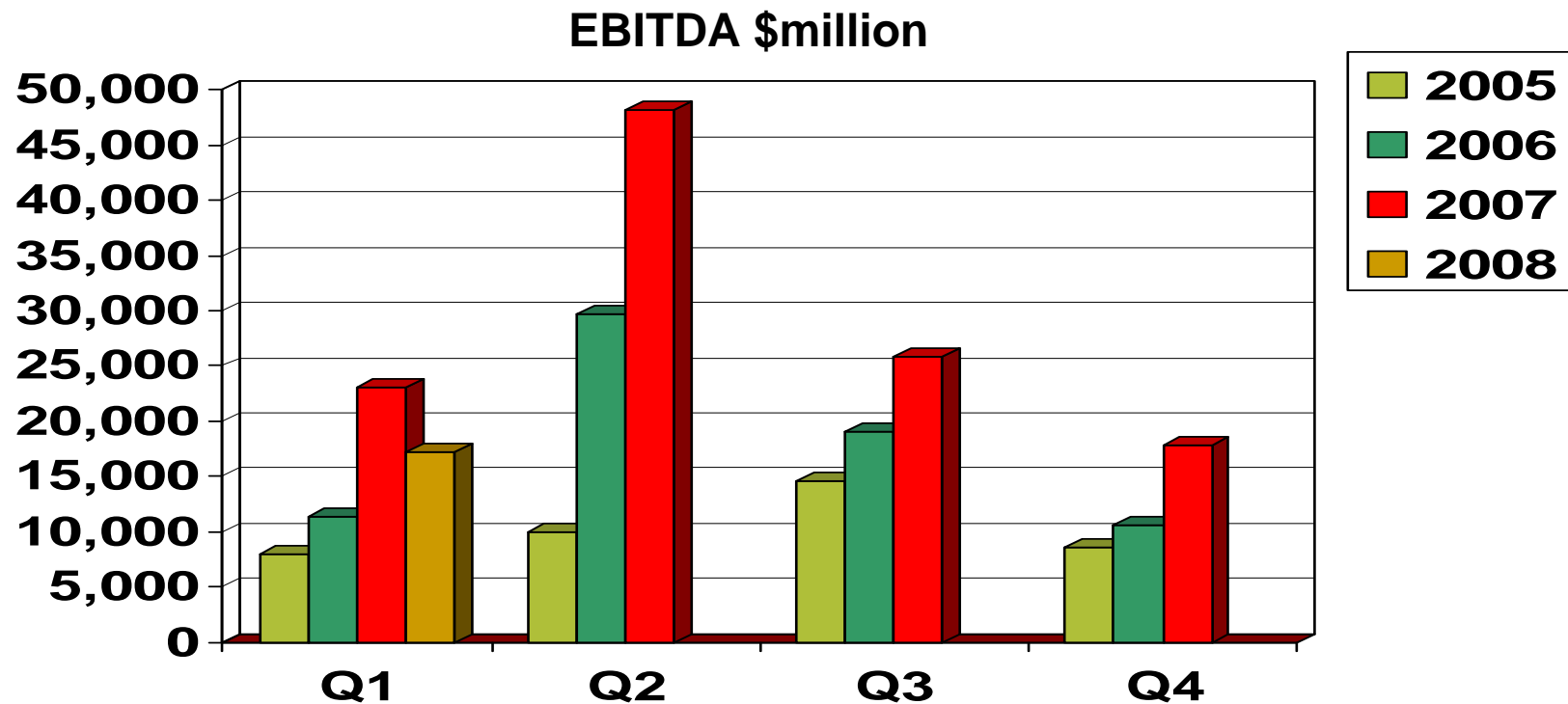
## 2008 First Quarter Performance Measures

	<b>Q1 2008</b>	Q1 2007
Fuel Volume (millions of litres)	<b>556</b>	440
Merchandise Sales (\$ million)	<b>15.3</b>	14.4
Gross Margin (\$ million)	<b>53.0</b>	43.9
EBITDA (\$ million)	<b>17.2</b>	23.1
Total Distributions (\$ million)	<b>15.8</b>	11.3



# Operational and Financial Performance

- Seasonal Performance



# Operational and Financial Performance

	<b>March 31 2008</b>	December 31 2007
	(mm \$)	(mm \$)
Current Assets	<b>201.0</b>	167.5
Capital Assets / Other	<b>214.5</b>	208.2
	<b>415.5</b>	375.7
Current Liabilities	<b>159.7</b>	139.4
Long-term Debt	<b>33.8</b>	14.4
Other	<b>15.1</b>	13.2
Unitholders' Capital	<b>206.9</b>	208.7
	<b>415.5</b>	375.7
Ratio		
Debt to EBITDA (trailing 12 month)	<b>0.31</b>	0.13

**Parkland's strong balance sheet will support future performance**



---

# 2008 Outlook

- Entering 2008 with reduced contribution from refiners margins in its historic Q1 range
- Need to execute well on our base
  - Retail
  - Commercial
  - Supply and Distribution
- Stick to our strategy
  - Growth
  - Supply





## Parkland Income Fund



Many Thanks

Questions