

**FOR IMMEDIATE RELEASE: Tuesday, April 28, 2009**

## **PARKLAND REPORTS FIRST QUARTER FINANCIAL RESULTS**

### **FIRST QUARTER 2009 PERFORMANCE HIGHLIGHTS:**

- Record Q1 fuel sales volumes of 673 million litres, up 29% from 523 million litres the prior year, driven by strategic acquisitions.
- Q1 EBITDA of \$32.3 million, up 87% from \$17.2 million in 2008 and a record for any Q1.
- Q1 2009 net earnings of \$19.8 million, up 94% from \$10.2 million in 2008.
- Distribution payout ratio of 59% for Q1 2009 compared to 96% in 2008.

Red Deer, April 28, 2009 – Parkland Income Fund (TSX: PKI.UN) today announced its business performance for the first quarter of 2009. Fuel volumes achieved record levels for the quarter and earnings before interest, taxes, depreciation and amortization (EBITDA) for Q1 2009 was higher than the same period a year earlier and was the highest Q1 on record and the second best quarter in Parkland's history.

President and CEO Mike Chorlton commented "In the face of considerable economic challenges, Parkland recorded one of the most successful quarters in its history, an accomplishment we attribute to a sharp strategic and operational focus, the continued diversification of our business by brand, fuel type and geography, and the strength of over 1,150 Parkland employees from B.C. to Ontario."

"In the first quarter of 2009, record sales volume and strong margins drove profit significantly higher relative to the first quarter of 2008. At the same time, our retail unit performed exceptionally well and our commercial business remained strong despite the challenging economic environment. Refiners' margins for gasoline were exceptionally strong for a winter quarter and were significantly higher than in the prior year. During this period of economic uncertainty, Parkland will remain focused on driving operational efficiency, continuing to build our business as the right opportunities arise and maintain monthly distributions," said Mr. Chorlton.

Distributable cash exceeded cash distributions in the first quarter. The distribution payout ratio was 59% compared to 96% in 2008. We have maintained our monthly distribution rate of \$0.105 per unit.

### **OUTLOOK**

Retail fuel volumes in our market area have shown same-store sales growth to date in 2009 despite the overall weakness in the economy. Commercial fuel sales volumes have reflected the weakness in the diesel and propane markets which have been impaired by the decline in the forestry, trucking and oil and gas drilling industries.

Assuming normal weather conditions, the agricultural input season is forecast to be strong as farmers curtailed fertilizer use when prices peaked last fall and are expected to buy heavily this spring.

Refiners' margins for gasoline have declined after reaching a peak in February but remain positive. Refiners' margins for diesel currently are weak, posting levels seen only twice in the past ten years for this season of the year.

## **FUEL VOLUMES**

Fuel volumes were strong with total sales of 673 million litres in the quarter ended March 31, 2009, an increase of 29% from 523 million litres for the same period in 2008. The increase resulted primarily from the acquisitions completed over the past year. The propane portion of these volumes was down 6% but margins were higher, resulting in good financial returns.

Retail fuel volumes in company-controlled stations were 5% higher than the prior year. Volume in other retail categories ranged from flat to slightly positive year over year. We attribute this to strong marketing programs in company-operated sites and our predominance of non-urban locations.

## **GROSS PROFIT**

Sales revenues were lower than the prior year as underlying crude oil prices were lower. Cost of sales declined more than sales leaving higher profit margins on a per litre basis. In addition to the retail margins for gasoline and diesel, we participate in the refiners' margins for a significant portion of our supply volumes. In the first quarter this participation yielded earnings approximately \$10.8 million higher than the comparative period in 2008.

Although higher Q1 2009 sales volumes of fertilizer and lubes contributed to a 24 percent increase in commercial sales over Q1 2008, profit margins for these product lines decreased. 2008 profit margins for fertilizer sales were unusually high relative to prior years while Q1 2009 showed more historical levels.

Our inventory of fuel volumes on hand is subject to revaluation as underlying crude oil prices rise and fall. In the first quarter of 2009 it resulted in an increase in earnings of \$4.6 million compared to an increase of \$4.0 million in 2008.

Our operating and direct costs were \$27.3 million in the first quarter compared to \$23.4 million for the same period in 2008. The increase is primarily a result of additional business operations acquired over the course of 2008.

Our marketing, general and administrative expenses were \$12.3 million in the first quarter compared to \$12.3 million for the same period in 2008.

A comparison of EBITDA for the first quarter of 2009 with the first quarter of 2008 is available online at [http://files.newswire.ca/714/Waterfall\\_chart\\_Q1\\_09.pdf](http://files.newswire.ca/714/Waterfall_chart_Q1_09.pdf)

## **CAPITAL RESOURCES**

We are seeking to expand our banking syndicate and increase our senior secured credit facility, including operating line, letters of credit and capital facility, to an expected total amount of \$265 million from \$169 million. We have received commitments for this amount subject to final documentation. This is expected to provide sufficient funding for our 2009 growth capital program and allow for potential acquisitions.

## CONSOLIDATED HIGHLIGHTS

<i>(in millions of Canadian dollars except per Unit amounts)</i>	Three months ended March 31, 2009	Three months ended March 31, 2008	Change
Fuel volume (millions of litres)	673	523	29%
Net sales and operating revenues	455.1	482.9	-6%
Gross profit	72.0	53.0	36%
Gross margin	16%	11%	
Operating and direct costs	27.3	23.4	17%
Marketing, general and administrative	12.3	12.3	
Income before income taxes	22.5	9.6	136%
Income tax (recovery) expense	2.7	(0.6)	
Net earnings	19.8	10.2	94%
EBITDA <sup>(1)</sup>	32.3	17.2	87%
Earnings per Unit - basic	\$ 0.40	\$ 0.20	
Earnings per Unit - diluted	\$ 0.40	\$ 0.20	
Distributable cash flow <sup>(2)</sup>	26.8	16.5	62%
Distributions	15.7	15.8	
Distribution payout ratio	59%	96%	

(1) EBITDA, which is not a financial measure under Generally Accepted Accounting Principles (GAAP), refers to Earnings Before Interest on Long-Term Debt, Income Tax Expense, Amortization, Refinery Remediation Accrual, Accretion Expense and (Gain) Loss on Disposal of Property, Plant and Equipment. It can be calculated from the GAAP amounts included in the Fund's financial statements. Management believes that EBITDA is a relevant measure to users of its financial information as it provides an indication of pre-tax earnings available to distribute to debt and equity holders. The Fund's definition of EBITDA may not be consistent with other providers of financial information and therefore may not be comparable.

(2) Please see Distributable Cash Flow reconciliation table in the MD&A.

The MD&A as well as the complete unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements for the first quarter ended March 31, 2009 are available online at [http://files.newswire.ca/714/Parkland\\_MD&A\\_FS.pdf](http://files.newswire.ca/714/Parkland_MD&A_FS.pdf)

## FUND DESCRIPTION

Parkland Income Fund currently operates retail and wholesale fuels and convenience store businesses under its Fas Gas Plus, Fas Gas, Race Trac Fuels and Short Stop Food Stores brands and through independent branded dealers, and transports fuel and other products through its Distribution division. With approximately 623 locations, Parkland has developed a strong market niche in Canadian non-urban markets focused in the West and Ontario. The Fund supplies propane, bulk fuel, heating oil, lubricants, industrial fluids, agricultural inputs and associated services to commercial and industrial customers in Alberta, British Columbia and the Yukon Territory under the Neufeld, United Petroleum and Great Northern Oil brands. Additionally, Parkland operates the Bowden refinery near Red Deer, Alberta as a storage and contract-processing site.

Parkland is focused on creating and delivering value for its unitholders through the continuous refinement of its site portfolio, increasing revenue diversification through growth in non-fuel revenues and active supply chain management.

The Fund's units trade on the Toronto Stock Exchange (TSX) under the symbol PKI.UN. For more information, visit [www.parkland.ca](http://www.parkland.ca).

*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”, “projected”, “anticipates”, “estimates”, “continues”, or similar words and include but are not limited to, statements regarding the accretive effects of the acquisition and the anticipated benefits of the acquisition. 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.*

## **CONFERENCE CALL**

Parkland will hold a conference call for Analysts, Brokers and Investors to discuss first quarter results as follows:

Wednesday, April 29, 2009, 9:00 a.m. (11:00 a.m. Eastern Time)  
Direct: 416-644-3417  
Toll-free: 800-733-7560  
Passcode: 21304119 followed by the pound sign

The replay will be available as follows:

From Wednesday, April 29, 2009, 9:00 a.m. (11:00 a.m. Eastern Time)  
To Wednesday, May 13, 2009 at 9:59 p.m. (11:59 p.m. Eastern Time)  
Direct: 416-640-1917  
Toll-free: 877-289-8525  
Passcode: 21304119 followed by the pound sign

## **WEBCAST**

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2635380>

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For further information:

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If you prefer to receive Company news releases via e-mail, please request at [corpinfo@parkland.ca](mailto:corpinfo@parkland.ca).