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# Parkland Income Fund

*Strategic Focus*  
*Focused People*

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**Mike Chorlton**  
**President and CEO**

May 2009

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## Forward Looking Statements

*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.*



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# Parkland News

- Strong First Quarter Results
  - Strong volume growth from 2008 acquisitions
  - \$32.3 million quarterly EBITDA up 87% from 2008
  - Distribution payout ratio 59%
  
- Expanded Debt Facility
  - Total facility increases \$96 million to \$265 million
    - Combined long-term debt, operating line and letters of credit



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# Investment Highlights

- Financial Position
  - Maintaining current level of distributions
  - Unit price substantially recovered from lows – still high yield
  - Long-term debt 76% of 12 month EBITDA
  - Room to increase debt for good opportunities
  - Cautiously staying on strategy and seeking growth
  
- Retail business holding up well
  - Margins have been excellent
  - Volumes have held – same-store growth in Q1 and in 2008
  
- Commercial business has held as well but facing challenges
  - Cutting costs where we have exposure to distressed sectors
  
- Refiners' margins have been strong for past three quarters
  - Benefit through supply contract



# Parkland's Financial Profile

■ Listing (TSX)	PKI.UN
■ Units Outstanding	49.8 million
■ Market Capitalization (May 21, 2009)	\$476 million
■ Term Debt	\$ 70 million
■ Enterprise Value	\$546 million
■ Monthly Distribution	\$0.105 per unit

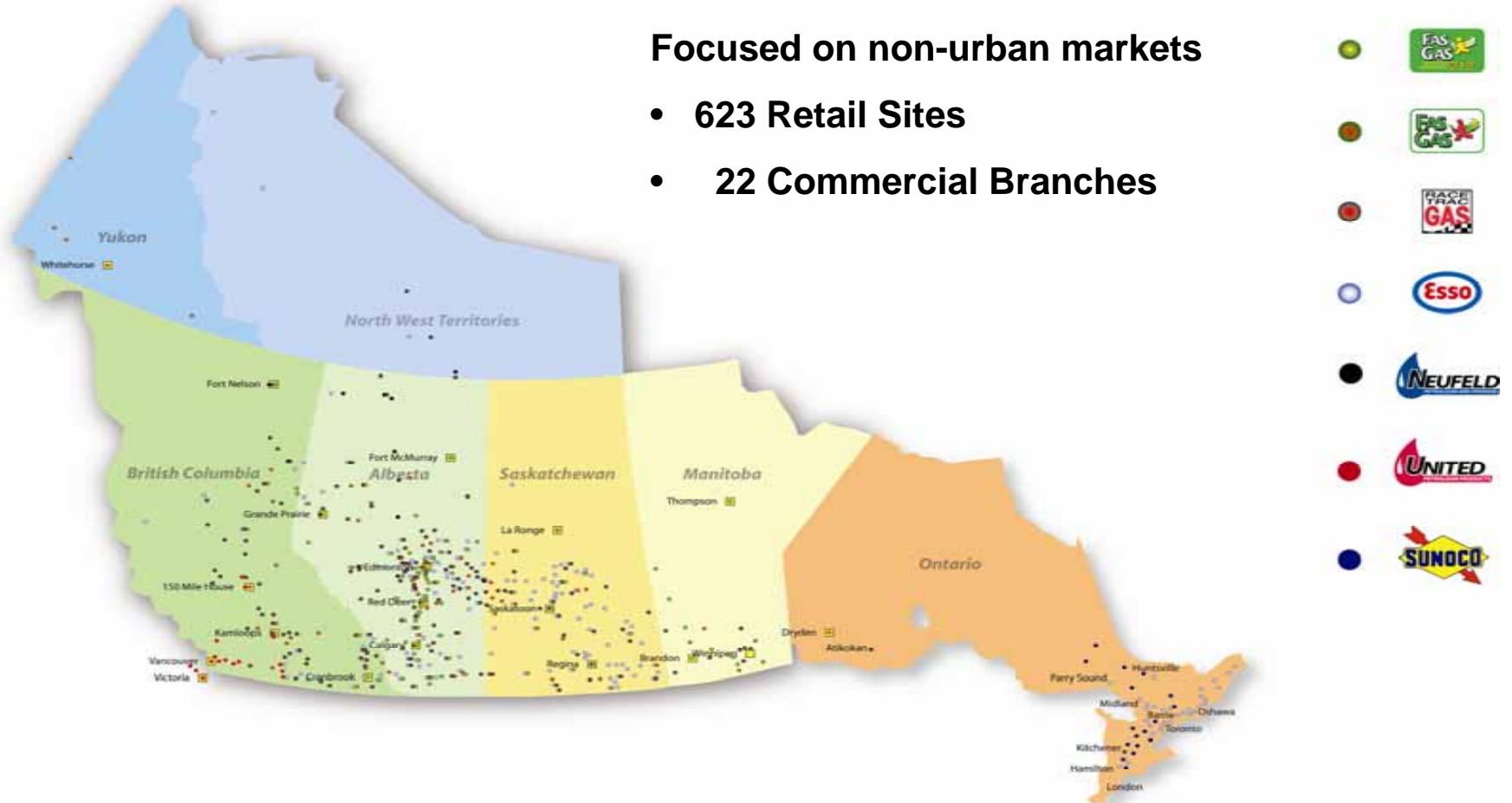


# Parkland Overview

*One of Canada's Leading Independent Fuel Marketers*

Focused on non-urban markets

- 623 Retail Sites
- 22 Commercial Branches



# Parkland Overview

## Storage, supply and distribution capabilities



- Supply – long-term contracts with major refiners
- Parkland Refining: Bowden refinery utilized for storage and contract processing
- Petrohaul: Fuel trucking – over 70% of internal needs
- Wiebe: Other long haul trucking – propane, fertilizer, dry bulk, etc. – shared facilities with Petrohaul reduces cost



# Weathering the Storm

- Non-urban focus
- Geographic diversification
- Complementary products and businesses
- Portfolio of brands
- Commercial customer diversification
- Integrated distribution
- Conservative Balance Sheet



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# Outlook

- April and May industry economics have been on par with our experience
  - Refiners' margins have softened from first quarter
  - Solid but variable retail margins
- Retail volumes have remained strong to date though market not expected to achieve historic growth
- Commercial volumes will be negatively impacted by oil and gas drilling reductions and generally soft commodity markets. Partial offset possible based on strong outlook for agricultural inputs sales for spring given weak sales in fall 2008



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# Strategic Approach



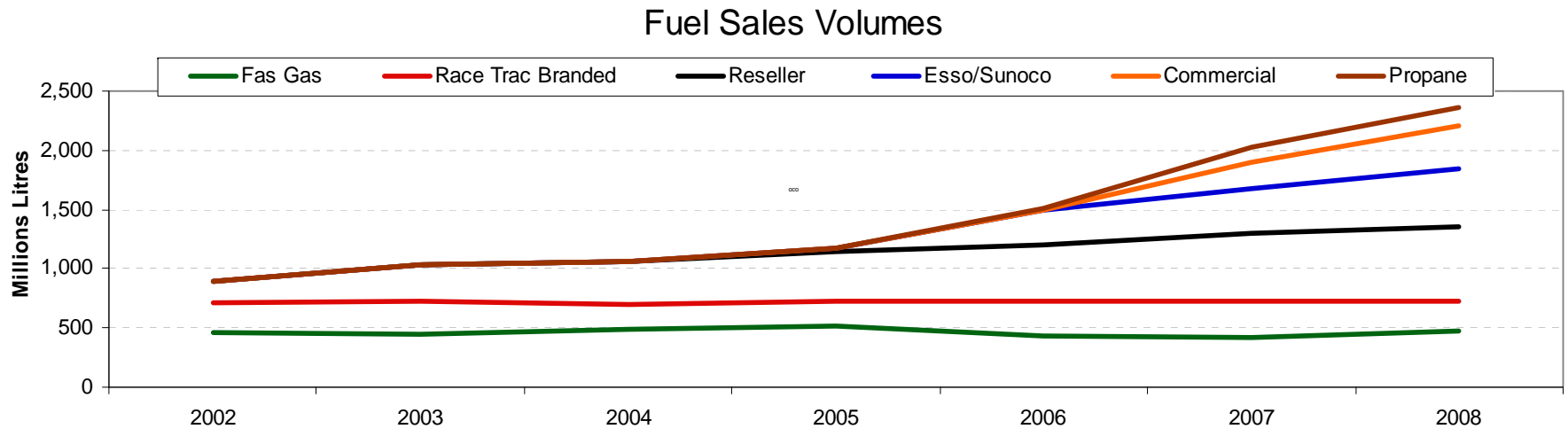
# Strategic Focus

- Parkland is focused on four strategic pillars...



# Strategic Focus: Growth

*Strong growth in volume and cash flow*



- Growth waves since 2005
  - 2005 entered Esso Retail Branded distributorship in Saskatchewan and Alberta; subsequent steps in BC and ON
  - 2007 ramped up Commercial business with Neufeld Petroleum & Propane, Joy Propane, UPPI and others
  - 2008 largely devoted to consolidation and synergies with steps in trucking (Wiebe Transport) and Ontario (Noco)
  - 2009 starts strong from 40 new Esso sites acquired in Q4, 2008
- Opportunity list strong going forward



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# Strategic Focus: Managing Risk

- Parkland's management of business risk has helped us weather the financial storm:
  - Conservative financial management
  - Focus on non-urban markets
  - Diversified customer base
  - Strong supply contracts
  - Focus on non-fuel revenues



# Strategic Focus: Increase Competitiveness

- Parkland maintains supply from each of the 3 major regional refiners in Western Canada and 4 in Central Canada
  - Diversified supply portfolio, positive supplier relationships
  - Long-term agreements
  - Participation in Refiners' Margin
  - Acquisitions increase Parkland's importance to refiners
  - Bowden storage adds flexibility
  
- Continuous focus on upgrading/closing sites
  - All sites evaluated on Net Unit Operating Cost and Volume

*Diversified portfolio enabled Parkland to avoid fallout from supply disruptions at several Canadian refineries in 2008...*



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# Strategic Focus: Organizational Effectiveness

- Big push on developing common culture as we acquire and grow
  - Values based leadership
- Key senior hires
  - Weak economy is making premier resources available
- Strengthening human resources in the organization
- Effectively integrating new acquisitions
- New ERP system



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# Operational and Financial Performance



# Performance Measures

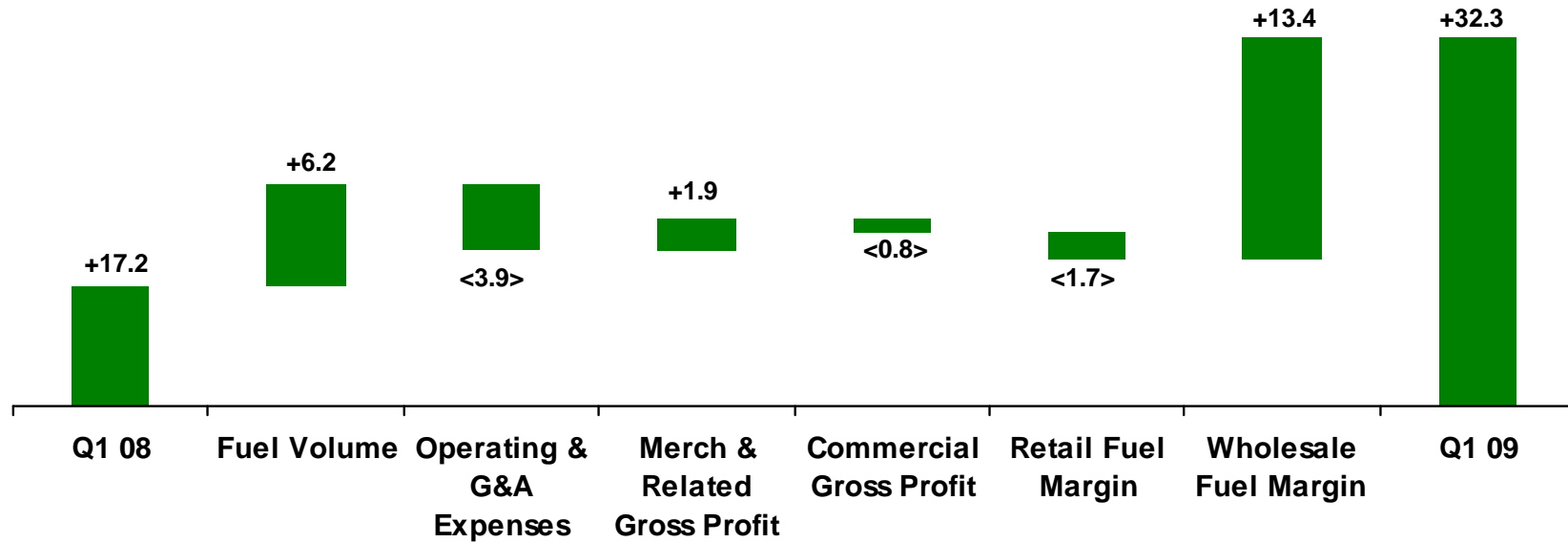
**Continued growth in fuel volumes and maintaining monthly distributions**

	<b>Q1 2009</b>	<b>Q1 2008</b>	<b>Change</b>	<b>Year 2008</b>	<b>Year 2007</b>	<b>Change</b>
Fuel Volume (millions of litres)	673	523	+ 29%	2,353	1,963	+20%
Gross Profit (\$ million)	72.0	53.0	+36%	221.4	232.5	-5%
EBITDA (\$ million)	32.3	17.2	+ 87%	81.2	115.1	-29%
Monthly Distributions	\$0.105	\$0.105	0			
Total Distributions (\$ million)	15.7	15.8	- 1%	63.4	90.5	-30%
Payout Ratio	59%	96%	-	91%	90%	-



# EBITDA Comparisons YOY

EBITDA – Q1 08 to Q1 09 – M\$



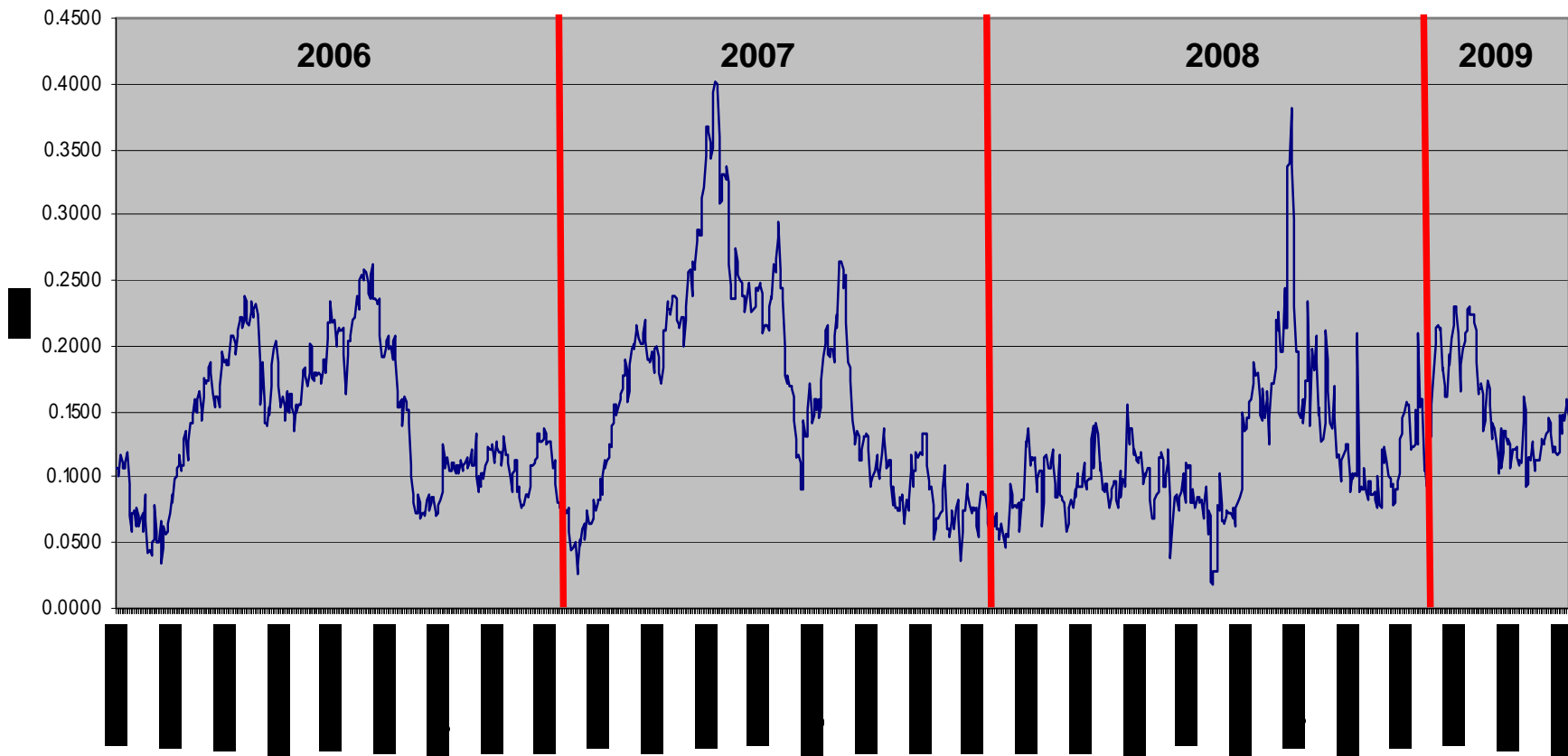
# Operational and Financial Performance

New York Harbor 3-2-1 Crack Spread



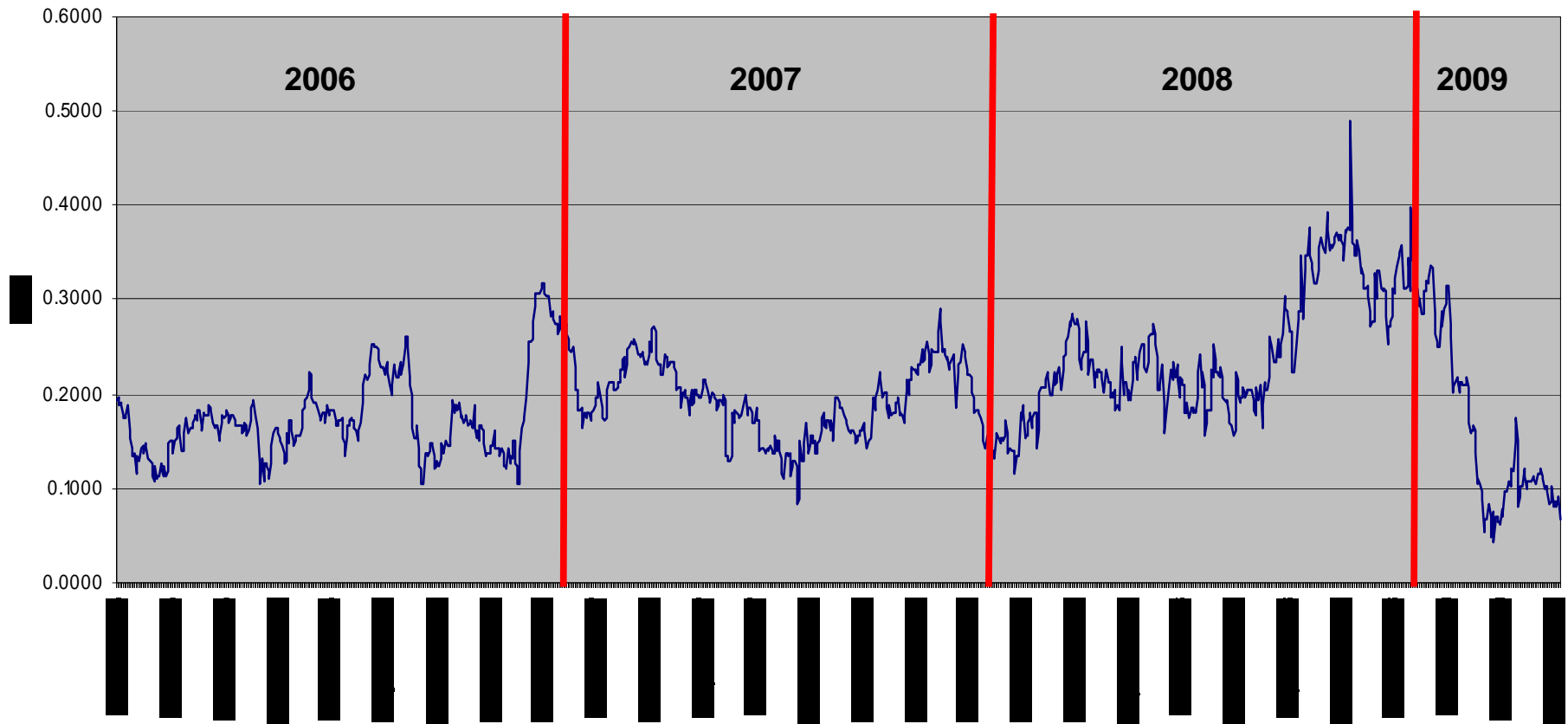
# Operational and Financial Performance

Regular Unleaded Gasoline Refinery Margin in Edmonton



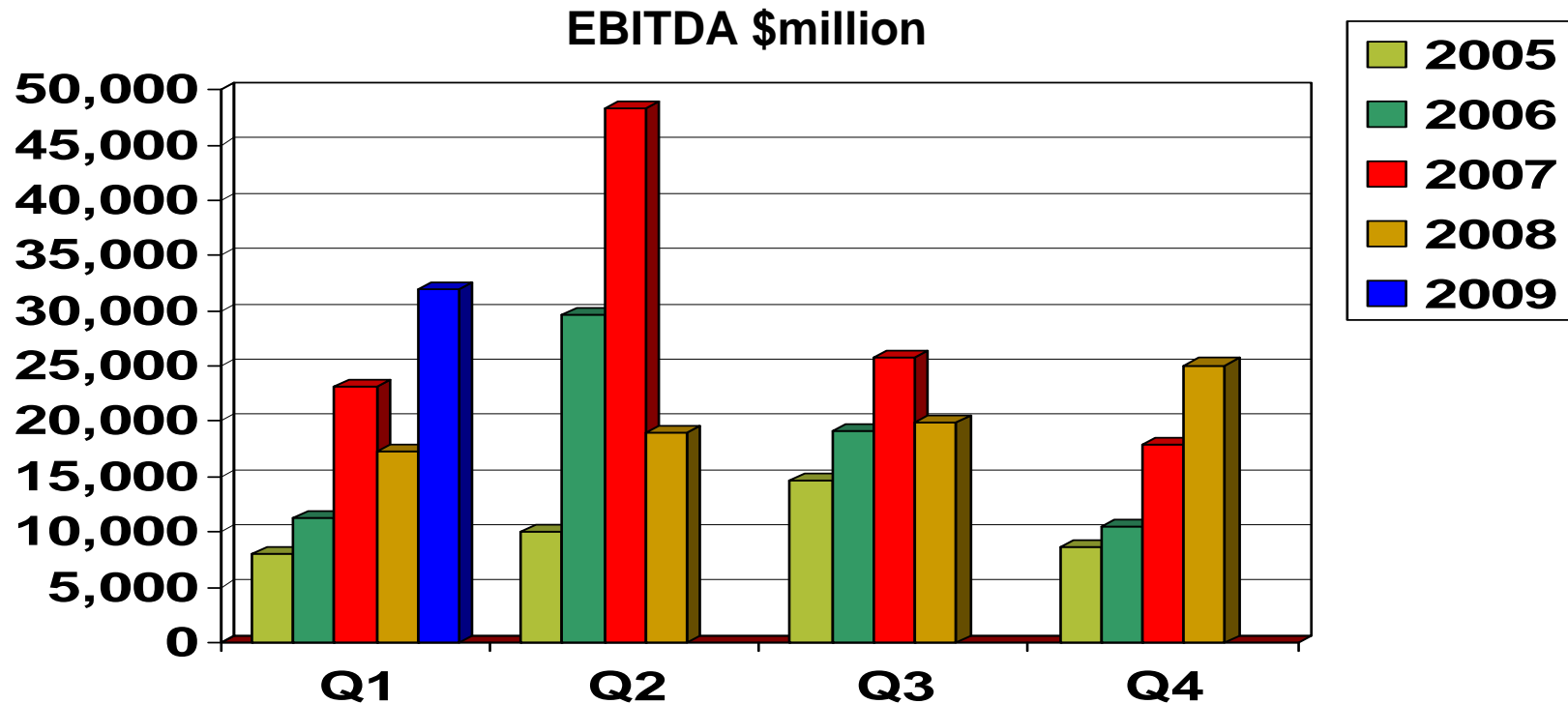
# Operational and Financial Performance

Diesel Refinery Margin in Edmonton



# EBITDA Performance

- Seasonal Performance



# Balance Sheet Strength

	<b>March 31 2009</b>	<b>December 31 2008</b>
	(\$ million)	(\$ million)
Current Assets	<b>170.9</b>	174.2
Capital Assets / Other	<b>235.8</b>	231.3
	<b><u>406.7</u></b>	<u>405.5</u>
Current Liabilities	<b>122.0</b>	125.4
Long-term Debt	<b>70.0</b>	70.2
Other	<b>17.9</b>	16.4
Unitholders' Capital	<b>196.8</b>	191.6
	<b><u>406.7</u></b>	<u>405.5</u>
Ratio		
Long-term Debt to EBITDA (trailing 12 month)	<b><u>0.76</u></b>	<u>0.90</u>



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