



## PRESS RELEASE

# Couche-Tard Announces Definitive Merger Agreement with CST Brands, Inc.

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**Laval, Québec, Canada, August 22, 2016** – Alimentation Couche-Tard Inc. (TSX: ATD.A/ATD.B), (“Couche-Tard”), today announces a definitive merger agreement with CST Brands, Inc. (NYSE: CST) (“CST”) under which Couche-Tard would acquire CST in an all-cash transaction for US \$48.53 per share, with a total enterprise value of approximately US \$4.4 billion including net debt assumed. The terms and conditions of the agreement were unanimously approved by the Boards of Directors of both companies.

CST is based in San Antonio, Texas and employs over 14,000 people at over 2,000 locations throughout the Southwestern United States with an important presence in Texas, in Georgia, in the U.S. Southeast Region, in the State of New York and Eastern Canada. CST also controls the general partner of CrossAmerica Partners LP (NYSE: CAPL) (“CAPL”), owns 100% of its Incentive Distribution Rights and holds a significant equity investment in it. CAPL distributes branded and unbranded road transportation fuel to more than 1,100 locations in the United States.

The transaction price represents a premium of 42% to CST’s closing share price on March 3, 2016, the last trading day prior to CST announcing that it would explore and review its strategic alternatives to further enhance its stockholder value.

This all-cash transaction is expected to be financed by Couche-Tard’s available cash, existing credit facilities and a new term loan. The CST transaction is expected to close in early calendar year 2017 and is subject to the approval of CST’s stockholders and regulatory approvals in the United States and Canada.

Couche-Tard has also entered into an agreement with Parkland Fuel Corporation (TSX: PKI) pursuant to which it would sell certain Canadian assets of CST after the merger for approximately US\$ 750 million. The assets in Canada that would be sold include a) CST’s Cardlock business, b) CST’s Dealer and Commission Agents business, c) CST’s Commercial and Home Energy business, d) a number of company-operated stores to be determined following the Competition Bureau of Canada’s review of the transaction and e) CST’s Montréal corporate head office. This transaction is subject to customary regulatory approval and closing conditions. Couche-Tard intends to use the proceeds from this sale to repay part of its credit facilities.

“We look forward to welcoming CST and CAPL to the Couche-Tard family” says Brian Hannasch, Couche-Tard’s President and Chief Executive Officer. “CST is an excellent company and is well positioned in the Southwestern United States with an important presence in Texas, Georgia, in the U.S. Southeast Region, New York and Eastern Canada. With this transaction we would strategically strengthen our positioning in both the “sun belt” and the east coast of North America. Our teams are looking forward to meeting CST customers and welcoming them into the Couche-Tard family.”

“We are excited to share best practices with CST as well as to combine the capabilities of CST’s team with Couche-Tard’s, to enhance value for our stockholders. We strongly believe that our all-



cash offer is a compelling one for CST's stockholders, giving them the opportunity to realize full and immediate value for their investment," says Brian Hannasch.

Alain Bouchard, Founder and Executive Chairman of the Board of Directors, Couche-Tard says, "I have always thought that in our industry 'size matters', whether that be for purchasing, logistics, best practices or for becoming famous for our product categories. The addition of CST's exceptional people and its strategic assets takes us one step further towards all these goals. I look forward to welcoming the CST and CAPL teams onboard into our growing company."

Upon completion of the transaction, Couche-Tard would establish a new business unit in San Antonio with attached shared services operations.

Faegre Baker Daniels LLP and Davies Ward Phillips & Vineberg are acting as legal advisors to Couche-Tard. Morgan Stanley & Co. LLC and National Bank Financial advised Couche-Tard in connection with the transaction.

### **INVITATION TO CONFERENCE CALLS AND WEBCAST FOR ANALYSTS AND MEDIA REPRESENTATIVES – AUGUST 22, 2016**

Alimentation Couche-Tard Inc. invites analysts and media representatives to two separate conference calls in which representatives of Couche-Tard's management team will participate.

An investor presentation will be available on <http://corpo.couche-tard.com>.

**For analysts:** There will be a conference call for analysts only that will take place today, starting at 8:30 a.m. (EDT) promptly. Analysts will need to contact CNW at one of the following numbers: (866) 865-3087, (514) 807-9895 or (647) 427-7450, conference number 69750702# and will need to identify themselves. Lines will be available 30 minutes in advance to allow them to register. Participants will not be able to join the call after it has started. The session will be taped and the recording will be made available on <http://corpo.couche-tard.com> for a 30-day period.

**For media representatives:** There will be a conference call and a webcast for media representatives only that will take place today, starting at 11:00 a.m. (EDT) promptly. Media representatives will need to contact CNW at one of the following numbers: (866) 865-3087, (514) 807-9895 or (647) 427-7450, conference number 69746602# and will need to identify themselves. Lines will be available 30 minutes in advance to allow them to register. Participants will not be able to join the call after it has started. A live audio webcast of the conference call will be available through the following link: [webcast](#).

#### **About Alimentation Couche-Tard Inc.**

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden and Denmark), in the Baltic States (Estonia, Latvia and Lithuania, in Ireland and in Russia with an important presence in Poland.

As of April 24, 2016, Couche-Tard's network comprised 7,888 convenience stores throughout North America, including 6,490 stores with road transportation fuel dispensing. Its North American network



consists of 15 business units, including 11 in the United States covering 41 states and 4 in Canada covering all 10 provinces. Approximately 80,000 people are employed throughout its network and at its service offices in North America.

In Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics States and Russia through ten business units. As of April 24, 2016, Couche-Tard's network is comprised of 2,659 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel sites which only offer road transportation fuel. Couche-Tard also offers other products, including stationary energy, marine fuel, aviation fuel, lubricants and chemicals. Including employees at its branded franchise stores, approximately 25,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, almost 1,500 stores are operated under the Circle K banner in 13 other countries and territories worldwide (China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Malaysia, Mexico, the Philippines, the United Arab Emirates and Vietnam), which brings the total network to over 12,000 stores.

For more information on Alimentation Couche-Tard Inc., please visit: <http://corpo.couche-tard.com>.

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## **Additional Information and Where to Find It**

This communication does not constitute a solicitation of any vote or approval. In connection with the proposed transaction, CST intends to file a proxy statement and other relevant documents concerning the proposed transaction with the U.S. Securities and Exchange Commission. CST will provide the full proxy statement to its stockholders. Investors and stockholders are urged to read the proxy statement and any other relevant documents filed with the SEC when they become available, as well as any amendments or supplements to those documents, because they will contain important information about the transaction. Investors and stockholders will be able to obtain a copy of the proxy statement as well as other filings containing information about CST free of charge at the SEC's Web Site at <http://www.sec.gov>. In addition, the proxy statement, the SEC filings that will be incorporated by reference in the proxy statement and the other documents filed with the SEC by CST may be obtained free of charge from CST's Investor Relations page on its corporate website at <http://www.cstbrands.com>.

CST and its directors, executive officers, and certain other members of management and employees may be deemed to be participants in the solicitation of proxies in favor of the proposed transaction from the stockholders of CST. Information about the directors and executive officers of CST is set forth in CST's Annual Report on Form 10-K for the year ended December 31, 2015 and the proxy statement on Schedule 14A for CST's 2016 Annual Meeting of Stockholders, which was filed with the SEC on April 29, 2016. Additional information regarding participants in the proxy solicitation may be obtained by reading the proxy statement regarding the proposed transaction when it becomes available.

## **Forward-Looking Statements**



The statements set forth in this press release, which describe Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "will", "plan", "evaluate", "estimate", "believe", "expect" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche-Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in documents filed by Couche-Tard with securities regulatory authorities in Canada. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this press release is based on information available as of the date of the release.