

September 18, 2008

Key Metrics

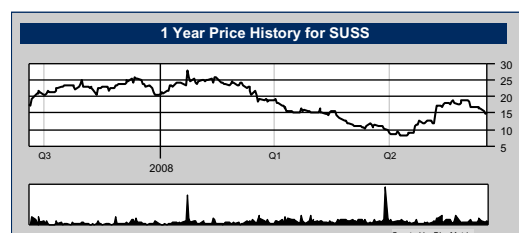
SUSS - NASDAQ	\$15.26
Pricing Date	09/17/2008
Price Target	NA
52-Week Range	\$28.49-\$7.68
Shares Outstanding (mm)	17.0
Market Capitalization (\$mm)	\$259.4
3-Mo Average Daily Volume	77,830
Institutional Ownership	43%
Debt/Total Capital	69.1%
ROE	5.0%
Book Value/Share	\$11.09
Price/Book	1.4x
Dividend Yield	NM
LTM EBITDA Margin	2.11%

EPS(\$) FY: December

	2007A	Prior 2008E	Curr. 2008E	Prior 2009E	Curr. 2009E
1Q-Mar	(0.14)	--	(0.20)A	--	(0.15)E
2Q-Jun	0.37	--	0.39A	--	0.41E
3Q-Sep	0.29	--	0.32E	--	0.35E
4Q-Dec	0.06	--	0.07E	--	0.08E
FY	0.57	--	0.58E	--	0.68E
P/E	26.8x	--	26.3x	--	22.4x

Revenue(\$mm)

	2007A	Prior 2008E	Curr. 2008E	Prior 2009E	Curr. 2009E
1Q-Mar	528.7	--	1,000.7A	--	1,109.9E
2Q-Jun	692.8	--	1,230.2A	--	1,297.4E
3Q-Sep	674.0	--	1,167.3E	--	1,299.7E
4Q-Dec	821.9	--	1,080.5E	--	1,143.7E
FY	2,717.4	--	4,478.6E	--	4,850.6E



Company Description: *Susser Holdings Corp is a convenience store operator and motor fuels distributor based in Corpus Christi, Texas. The company's retail arm consists of retail convenience stores (some of which include Laredo Taco Company restaurants), while the wholesale arm is the largest independent motor fuels distributor in Texas. Susser went public and priced its IPO on October 18, 2006.*

Susser Holdings, Corp.

Rating: Hold

Limited Hurricane Impact Expected

Investment Highlights:

- **Retail store closures appear negligible - nearly all up and running again.** The majority of Susser's retail locations are located in areas southwest and west of the Houston area, which was a key territory impacted by Hurricane Ike. In anticipation of the storm, we believe Susser closed roughly 24 stores, approximately 8 units in the Houston area, and believe nearly all are currently up and running. Limited physical damage appears to have occurred to the company's Houston store base and its wholesale headquarters, also located in Houston.
- **Wholesale business hit hardest: Pre/Post surge should offset any near-term impact.** Of Susser's 384 wholesale customers, roughly 300 are located near Houston and have most likely been impacted by the storm. While currently order flow to that region appears to be well below historical patterns, we expect pre-hurricane surges in demand for gasoline and likely post-hurricane replenishments to offset any near-term impact.
- **Potential tightened gasoline supply could limit future deliveries.** The U.S. minerals management service stated that as of Wednesday, 95.9% of the 1.3mm barrels per day in oil taken from the Gulf remained shut in. While we believe the large majority of Susser's retail stores currently have fuel for sale, tightening of future fuel supplies remains a possibility. Because of the company's branded fuel supply agreements with the major providers, Susser should get priority deliveries; however, tightened fuel supplies could limit future deliveries and bears watching.
- **No change to estimates - potential positives exist.** Overall, we do not expect Hurricane Ike to have a material impact on Susser's business and therefore are maintaining our current sales and EPS estimates. Potential near-term positives could include increased traffic to locations outside of the Houston area due to evacuations and increased convenience store traffic within impacted territories as consumers search for alternative food supplies. Longer term, wholesale dealership volumes could expand should the rebuilding process increase commercial construction activity.

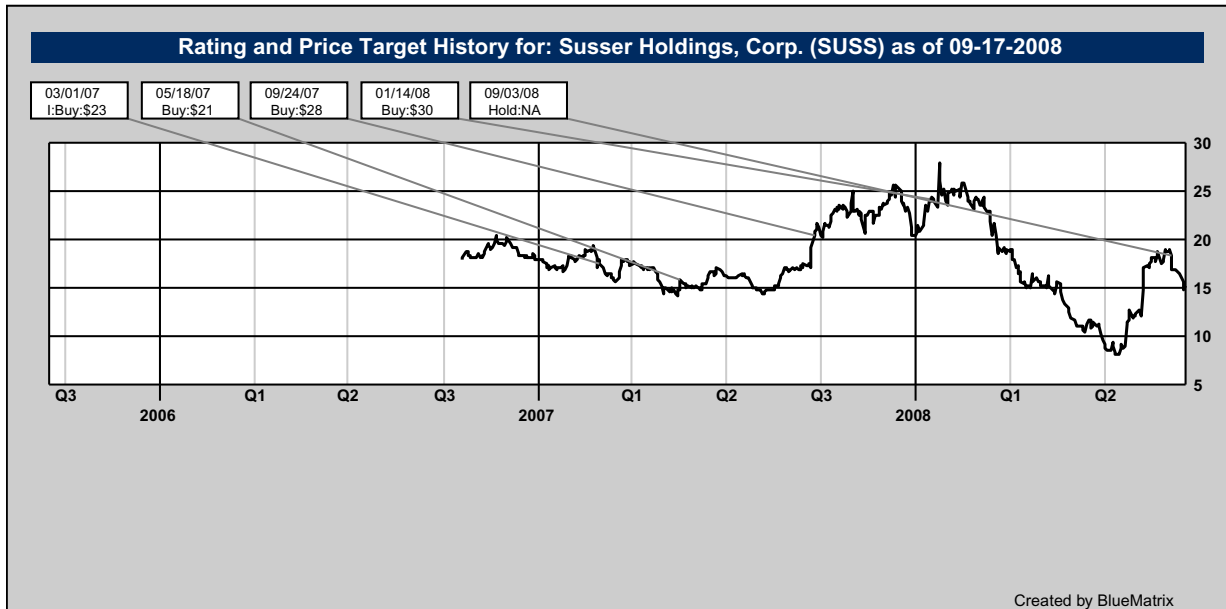
EQUITY RESEARCH

Susser Holdings Corp (SUSS)
(In Millions, Except Per Share Data)

Quarter End	FY 2006	Q1 Apr-07	Q2 Jul-07	Q3 Sep-07	Q4 Dec-07	FY 2007	Q1 Mar-08	Q2 Jun-08	Q3E Oct-08	Q4E Dec-08	FYE 2008	Q1E Apr-09	Q2E Jul-09	Q3E Oct-09	Q4E Dec-09	FYE 2009
Total Sales	2,265.2	528.7	692.8	674.0	821.9	2,717.4	1000.7	1230.2	1167.3	1080.5	4,478.6	1109.9	1297.4	1299.7	1143.7	4,850.6
% Increase	19.5%	1.0%	6.7%	11.4%	68.6%	20.0%	89.3%	77.6%	73.2%	31.5%	64.8%	10.9%	5.5%	11.3%	5.8%	8.3%
Cost of Goods Sold	2,044.4	476.3	628.2	607.5	744.2	2,456.2	909.2	1117.8	1054.4	976.2	4,057.6	1011.1	1175.3	1177.6	1034.3	4,398.3
% increase	20.6%	0.3%	6.6%	12.3%	69.3%	20.1%	90.9%	77.9%	73.6%	31.2%	65.2%	11.2%	5.1%	11.7%	6.0%	8.4%
% sales	90.3%	90.1%	90.7%	90.1%	90.5%	90.4%	90.9%	90.9%	90.3%	90.3%	90.6%	91.1%	90.6%	90.6%	90.4%	90.7%
Gross Profit	220.8	52.4	64.6	66.5	77.7	261.1	91.5	112.3	112.9	104.3	421.0	98.7	122.0	122.1	109.4	452.2
% increase	9.5%	7.6%	8.2%	3.3%	61.6%	18.3%	74.7%	74.0%	69.8%	34.2%	61.2%	7.9%	8.6%	8.1%	4.9%	7.4%
% sales	9.7%	9.9%	9.3%	9.9%	9.5%	9.6%	9.1%	9.1%	9.7%	9.7%	9.4%	8.9%	9.4%	9.4%	9.6%	9.3%
Personnel	69.3	18.3	19.6	19.8	24.7	82.5	30.3	34.5	35.0	34.0	133.8	32.4	36.8	37.5	36.4	143.0
% increase	11.3%	9.2%	11.4%	14.1%	40.9%	19.0%	66.0%	75.7%	76.5%	37.5%	62.3%	7.0%	6.5%	7.0%	7.0%	6.9%
% sales	3.1%	3.5%	2.8%	2.9%	3.0%	3.0%	3.0%	2.8%	3.0%	3.1%	3.0%	2.9%	2.8%	2.9%	3.2%	2.9%
Operating Expense	62.0	14.7	16.8	17.2	20.3	68.9	27.9	30.4	31.0	29.0	118.3	31.1	35.0	35.1	29.7	130.9
% increase	15.6%	-0.4%	1.8%	-0.1%	50.0%	11.3%	90.2%	81.3%	80.5%	42.8%	71.7%	11.2%	15.3%	13.2%	2.5%	10.6%
% sales	2.7%	2.8%	2.4%	2.5%	2.5%	2.5%	2.8%	2.5%	2.7%	2.7%	2.6%	2.8%	2.7%	2.7%	2.6%	2.7%
Rent	22.7	6.0	6.1	6.1	7.6	25.8	8.4	8.7	9.5	10.0	36.6	8.9	10.4	10.5	11.0	40.8
% increase	133.0%	8.2%	10.5%	10.2%	25.2%	13.8%	39.9%	42.1%	54.8%	32.2%	41.7%	5.6%	19.6%	10.5%	10.0%	11.4%
% sales	1.0%	1.1%	0.9%	0.9%	0.9%	1.0%	0.8%	0.7%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%	1.0%	0.8%
Royalties	3.6	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% sales	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
G&A	19.3	6.2	6.0	7.3	8.4	27.9	9.1	8.0	8.5	9.0	34.6	10.0	8.8	9.3	9.8	37.9
% increase	-47.2%	38.7%	22.2%	42.2%	75.3%	44.5%	45.6%	33.6%	16.7%	7.0%	23.9%	10.2%	9.3%	9.4%	8.9%	9.5%
% sales	0.9%	1.2%	0.9%	1.1%	1.0%	1.0%	0.9%	0.7%	0.7%	0.8%	0.8%	0.9%	0.7%	0.7%	0.9%	0.8%
Loss/(Gain) on Assets Disp.	0.0	0.0	-0.2	0.3	0.1	0.2	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
D, A & Accretion	23.6	6.4	7.0	8.0	8.5	29.8	10.7	10.3	10.5	10.5	42.1	11.0	10.7	11.0	11.0	43.7
% increase	-22.0%	12.5%	18.1%	30.6%	43.7%	26.4%	69.0%	48.1%	31.5%	23.9%	41.2%	2.5%	3.4%	4.8%	4.8%	3.8%
% sales	1.0%	1.2%	1.0%	1.2%	1.0%	1.1%	1.1%	0.8%	0.9%	1.0%	0.9%	1.0%	0.8%	0.8%	1.0%	0.9%
Operating Profit	20.4	0.8	9.2	7.8	8.1	25.9	5.0	20.3	18.4	11.8	55.4	5.4	20.4	18.7	11.5	55.9
% increase	NA	22.3%	8.6%	-34.8%	NA	27.3%	NA	119.4%	136.2%	45.1%	113.8%	8.1%	0.4%	1.9%	-2.7%	0.9%
% sales	0.9%	0.1%	1.3%	1.2%	1.0%	1.0%	0.5%	1.6%	1.6%	1.1%	1.2%	0.5%	1.6%	1.4%	1.0%	1.2%
Interest Expense	16.3	3.0	2.9	2.9	6.9	15.8	9.9	9.5	9.5	9.5	38.4	9.0	9.0	9.0	9.0	36.0
Other Income	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.0)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Pretax Profit	4.5	(2.1)	6.4	5.0	1.3	10.5	(4.7)	10.8	9.0	2.4	17.4	(3.5)	11.5	9.8	2.6	20.3
% increase	NA	NA	70.1%	-32.6%	NA	134.4%	NA	69.6%	80.3%	86.1%	66.1%	NA	5.7%	9.9%	7.5%	16.6%
% sales	0.2%	-0.4%	0.9%	0.7%	0.2%	0.4%	-0.5%	0.9%	0.8%	0.2%	0.4%	-0.3%	0.9%	0.8%	0.2%	0.4%
Taxes(benefit)	(0.9)	0.3	0.1	0.1	0.3	0.8	(1.4)	4.2	3.6	1.2	7.6	(0.9)	4.5	3.9	1.3	8.8
Rate	-20.0%	-12.1%	1.9%	2.5%	26.8%	8.1%	29.2%	38.6%	40.1%	50.2%	43.5%	26.9%	39.5%	40.0%	49.9%	43.2%
Net Income--Oper.	5.4	(2.4)	6.3	4.8	0.9	9.7	(3.4)	6.7	5.4	1.2	9.9	(2.6)	6.9	5.9	1.3	11.5
% increase	NA	NA	66.9%	-34.2%	NA	79.6%	NA	6.2%	10.7%	26.6%	2.1%	NA	4.2%	10.0%	8.2%	17.2%
% sales	0.2%	-0.5%	0.9%	0.7%	0.1%	0.4%	-0.3%	0.5%	0.5%	0.1%	0.2%	-0.2%	0.5%	0.5%	0.1%	0.2%
EPS--Operations	0.50	(0.14)	0.37	0.29	0.06	0.57	(0.20)	0.39	0.32	0.07	0.58	(0.15)	0.41	0.35	0.08	0.68
% Increase	NA	NA	-7.5%	-63.5%	NA	14.6%	NA	4.5%	9.3%	26.8%	1.1%	NA	4.4%	10.0%	8.2%	17.1%
Shares Out. Diluted	10.7	16.7	16.8	16.8	17.0	16.8	16.9	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0

Source: Company reports and Morgan Joseph estimates

Required Disclosures



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Rating	Investment Banking Services/Past 12 Mos.	
	Percent	Percent
BUY [B]	56.67	33.33
HOLD [H]	42.22	31.58
SELL [S]	1.11	0.00

Meaning of Ratings

- A) Buy means reasonable outperformance relative to the market over 12-18 months.
- B) Hold means market-type risk adjusted performance; potential source of funds.
- C) Sell means expected to underperform the market.

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