



Media Release

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7-Eleven Acquires Mobil Retail Fuels Business

7-Eleven Stores Pty Ltd is pleased to announce that it has entered into a binding agreement with Mobil Oil Australia Pty Ltd to acquire its retail fuels business.

The acquisition comprises 295 company-owned or leased service stations, primarily located in the metropolitan areas of eastern Australia, substantially strengthening 7-Eleven's presence in the eastern seaboard convenience store market. The combined entity will serve more than 160 million customer transactions each year.

Chairman of 7-Eleven in Australia, Russell Withers said, "This deal with Mobil will build on 7-Eleven's position as the leader in the convenience retailing industry in Australia, taking the number of 7-Eleven stores from 400 to more than 650."

"As a family-owned business that has been operating 7-Eleven in Australia for 33 years, we are very excited about this acquisition and welcome the Mobil metropolitan retail fuels business and its employees into our group.

"The acquisition combines two successful companies with high-calibre workforces to make a stronger organisation focused on growth, our customers and our employees."

7-Eleven Chief Executive Officer, Warren Wilmot, said, "This is not simply complementary to our business, it *is* our business. Similar acquisitions in the past have delivered significant per-store merchandise sales growth, demonstrating the strength of the brand's consumer appeal. In addition, the acquired sites are well-positioned with strong fuel and food store volume, bringing excellent synergies with 7-Eleven's current operations.

"We expect to convert most of the Mobil sites into 7-Eleven stores by the end of 2011, with sites being significantly upgraded. This is also great news for our existing franchisees as it will bring supply chain efficiencies and greater buying and marketing power for 7-Eleven.

"In the short term, very little will change for employees, as we recognise that both companies have significant employee talent we wish to harness," Wilmot continued.

Included in this acquisition are approximately 30 stores in South Australia where 7-Eleven does not currently operate. It is 7-Eleven's intention that the stores and assets will be transferred to the Peregrine Corporation, a family-owned business that has been operating in Australia for 26 years, and shares 7-Eleven's approach to its business and its people.

"With 38,000 stores globally, 7-Eleven is the world's largest retail store brand. A proven franchise system and the great employee talent at both companies provide us our recipe for continued success and leadership in the convenience retailing sector," Wilmot concluded.

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About 7-Eleven

7-Eleven in Australia is a private company owned by the Withers/Barlow family. The company has a license to operate and franchise 7-Eleven stores in Australia from US based corporation 7-Eleven Inc. The first store was opened in Australia in August 1977. There are more than 38,000 7-Eleven stores around the world.

7-Eleven conducts more than 99 million transactions every year through its 400 stores with sales expected to exceed \$1.4 billion in the 2010 financial year.

7-Eleven's continued focus on delivering improved customer convenience drives all elements of its business strategy and has seen the business invest heavily in supply chain improvements, fresh product innovation and new business initiatives.

7-Eleven stores serve on average 3.2 customers every second. In 2009 7-Eleven was listed as the 12th largest private company operating in Australia, based on turnover.

7-Eleven has been recognised by the Franchise Council of Australia as 'Franchisor of the Year' three times, and consecutively for the past two years in 2008 and 2009.

Further information

- This acquisition creates a merged entity with projected sales in excess of \$2.84 billion.
- The acquisition will position 7-Eleven as the market leader in convenience retailing and also make it the largest independent fuel retailer in Australia.
- The combined group will conduct more than 160 million customer transactions each year.
- Following the acquisition, there will be more than 650 7-Eleven stores in Australia.
- On completion the group is expected to be the 3rd largest private company operating in Australia.
- It is expected that most Mobil sites will be converted into 7-Eleven stores by the end of 2011, with sites being significantly upgraded.
- Most stores will be progressively franchised under the successful 7-Eleven system with opportunities for existing Mobil Agents and others to acquire a franchise.
- 7-Eleven is committed to providing a fuel card replacement for Mobilcard. Mobilcard customers will be able to use the replacement card offered by 7-Eleven throughout the 7-Eleven store network, including Mobil/Quix branded stores after the change in control.
- 7-Eleven has also reached an agreement with Mobil for the ongoing supply of fuel to the service stations that are being acquired.
- The transaction is not subject to Australian Competition and Consumer Commission (ACCC) clearance.
- 7-Eleven believes that competition concerns are unlikely, however we fully expect the ACCC to conduct a market review.