

NEWS RELEASE FOR IMMEDIATE RELEASE



Casey's General Stores, Inc.
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Casey's Sustains Inside Sales Momentum

Ankeny, Iowa, December 5, 2007—Casey's General Stores, Inc. (Nasdaq symbol CASY) today reported \$0.55 in earnings per share from continuing operations for the second quarter of fiscal 2008 ended October 31, 2007. For the same quarter a year ago, earnings were \$0.34 per share. Midyear earnings came to \$1.13 per share versus \$0.68 per share for the first half of fiscal 2007. President and CEO Robert J. Myers stated, "We had exceptional performance inside our stores from grocery & other merchandise and prepared food & fountain. Year to date, gross profit on inside sales rose 17.9% to \$272.4 million."

Gasoline—Casey's fiscal 2008 goal is to increase same-store gasoline gallons sold 2% with an average margin of 10.7 cents per gallon. Actual same-store gallons sold were down 1.6% for the second quarter and down 0.8% as of midyear. Total gallons sold were up 3.9% for the quarter and up 5.8% to 626.8 million for the year to date. The average margin was 13.6 cents per gallon for the quarter and 14.7 cents for the year to date. Midyear gasoline gross profit was up 61.4% to \$92 million. "Throughout the first six months, a favorable market environment kept our average margin unusually high," said Myers. "Same-store gallons were slowed by prices at the pump and measured against difficult comparisons from a year ago; nevertheless, our same-store customer count continued to be positive."

Grocery & Other Merchandise—The annual goal is to increase same-store sales 4.3% with an average margin of 32.2%. Same-store sales were up 11.2% for the second quarter compared with a 3.5% increase for the second quarter last year and up 9.9% for the year to date compared with a 2.7% increase for the first half of fiscal 2007. "We are very pleased with the gains we've achieved in this category," Myers said, "especially in light of the higher retail gasoline prices." For the year to date, the average margin was up 109 basis points to 33.5% on total sales of \$509.9 million. Myers continued, "Growth came from increased sales of higher-margin beverages and the improved match between product mix and customer demand." Gross profit increased 19.4% to \$171 million for the six months.

Prepared Food & Fountain—The annual goal is to increase same-store sales 8.4% with an average margin of 62%. Same-store sales were up 10.6% for the quarter and up 10% as of midyear. For the six months, the average margin was 62.4% on total sales of \$154.6 million. Midyear gross profit was up 15% to \$96.4 million. Myers stated, "Gross profit increased due to strong fountain sales, strategic price increases, and the continued utilization of point-of-sale information."

Operating Expenses—It is the Company's ongoing goal to hold the percentage increase in operating expenses to less than the percentage increase in gross profit. As of midyear, operating expenses were up 18.1% while total gross profit was up 26.4%. Myers elaborated on the positive results: "We are encouraged by our performance in the first half of the year, especially inside our stores, because it demonstrates our management of gross profit and expenses to maximize earnings."

Expansion—Casey’s goal is to acquire 50 stores and build 10 new stores by April 30, 2008. At midyear, the Company had not built any new stores and had acquired 5 stores. “Acquisition activity tends to come in waves,” explained Myers. “We are seeing seller expectations higher than what we believe are acceptable purchase values. As always, our focus is on making the right purchase decisions and driving return on invested capital. We currently have written agreements for 8 stores, and we remain optimistic about long-term opportunities.”

Dividend—At its December meeting, the Board of Directors declared a quarterly dividend of \$0.065 per share. The dividend is payable February 15, 2008 to shareholders of record on February 1, 2008. Also at the meeting, Ronald M. Lamb announced his retirement as an executive officer of the Company effective April 30, 2008. He has been employed by the Company for over 37 years, most recently as Chairman of the Executive Committee. He will continue to serve as Chairman of the Board of Directors.



Casey’s General Stores, Inc.
Consolidated Statements of Earnings
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three months ended October 31,		Six months ended October 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net sales	\$ 1,189,178	\$ 1,005,777	\$ 2,468,354	\$ 2,101,371
Franchise revenue	160	173	325	362
Total revenue	<u>1,189,338</u>	<u>1,005,950</u>	<u>2,468,679</u>	<u>2,101,733</u>
Cost of goods sold	1,010,213	860,599	2,101,205	1,810,840
Operating expenses	115,405	100,437	237,119	200,813
Depreciation and amortization	17,431	15,465	33,627	30,918
Interest, net	<u>2,350</u>	<u>2,687</u>	<u>4,695</u>	<u>5,082</u>
	<u>1,145,399</u>	<u>979,188</u>	<u>2,376,646</u>	<u>2,047,653</u>
Earnings from continuing operations before income taxes and gain (loss) on discontinued operations	43,939	26,762	92,033	54,080
Federal and state income taxes	<u>16,247</u>	<u>9,601</u>	<u>34,390</u>	<u>19,830</u>
Earnings from continuing operations before gain (loss) on discontinued operations	27,692	17,161	57,643	34,250
Gain (loss) on discontinued operations, net of taxes (tax benefit) of (\$10), \$7, (\$122), and (\$113)	<u>(16)</u>	<u>11</u>	<u>(191)</u>	<u>(177)</u>
Net earnings	<u>\$ 27,676</u>	<u>\$ 17,172</u>	<u>\$ 57,452</u>	<u>\$ 34,073</u>
Basic				
Earnings from continuing operations before loss on discontinued operations	\$.55	\$.34	\$ 1.13	\$.68
Loss on discontinued operations	-----	-----	-----	-----
Net earnings per common share	<u>\$.55</u>	<u>\$.34</u>	<u>\$ 1.13</u>	<u>\$.68</u>
Diluted				
Earnings from continuing operations before loss on discontinued operations	\$.54	\$.34	\$ 1.13	\$.67
Loss on discontinued operations	-----	-----	-----	-----
Net earnings per common share	<u>\$.54</u>	<u>\$.34</u>	<u>\$ 1.13</u>	<u>\$.67</u>

Casey's General Stores, Inc.
Consolidated Balance Sheets

(Dollars in thousands)
(Unaudited)

	<u>October 31, 2007</u>	<u>April 30, 2007</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 145,969	\$ 107,067
Receivables	13,884	13,432
Inventories	114,086	109,702
Prepaid expenses	8,859	7,891
Income taxes receivable	-----	2,733
<i>Total current assets</i>	<u>282,798</u>	<u>240,825</u>
Other assets, net of amortization	9,109	8,550
Goodwill	47,233	46,588
Property and equipment, net of accumulated depreciation of \$566,010 at October 31, 2007, and of \$538,121 at April 30, 2007	<u>844,644</u>	<u>833,308</u>
<i>Total assets</i>	<u>\$ 1,183,784</u>	<u>\$ 1,129,271</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 47,226	\$ 47,566
Accounts payable	134,890	134,375
Accrued expenses	59,327	52,326
Income taxes payable	4,095	-----
<i>Total current liabilities</i>	<u>245,538</u>	<u>234,267</u>
Long-term debt, net of current maturities	187,071	199,504
Deferred income taxes	103,309	105,724
Deferred compensation	9,624	9,016
Other long-term liabilities	<u>13,600</u>	<u>8,496</u>
<i>Total liabilities</i>	<u>559,142</u>	<u>557,007</u>
Total shareholders' equity	624,642	572,264
<i>Total liabilities and shareholders' equity</i>	<u>\$ 1,183,784</u>	<u>\$ 1,129,271</u>

Certain statements in this news release, including any discussion of management expectations for future periods, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from future results expressed or implied by those statements. Casey's disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

Sales and Gross Profit by Product

(Amounts in thousands)

Six months ended 10/31/07	Gasoline	Grocery & Other Merchandise	Prepared Food & Fountain	Other	Total
Sales	\$ 1,792,053	\$ 509,941	\$ 154,583	\$ 11,777	\$2,468,354
Gross profit	\$ 92,040	\$ 171,028	\$ 96,422	\$ 7,659	\$ 367,149
Margin	5.1%	33.5%	62.4%	65.0%	14.9%
Gasoline gallons	626,755				
Six months ended 10/31/06					
Sales	\$ 1,514,289	\$ 441,543	\$ 134,745	\$ 10,794	\$2,101,371
Gross profit	\$ 57,037	\$ 143,268	\$ 83,844	\$ 6,382	\$ 290,531
Margin	3.8%	32.4%	62.2%	59.1%	13.8%
Gasoline gallons	592,172				

Gasoline Gallons Same-store Sales Growth

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Fiscal Year</u>
F2008	0.3%	-1.6%			
F2007	-2.9	2.7	4.0%	2.8%	1.4%
F2006	7.7	4.3	4.2	0.5	4.4

Gasoline Margin (Cents per gallon)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Fiscal Year</u>
F2008	15.8¢	13.6¢			
F2007	9.8	9.4	10.5¢	11.8¢	10.4¢
F2006	11.8	14.1	9.2	10.6	11.5

Grocery & Other Merchandise Same-store Sales Growth

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Fiscal Year</u>
F2008	9.1%	11.2%			
F2007	2.3	3.5	6.7%	7.3%	4.6%
F2006	7.4	4.5	5.3	4.2	5.7

Grocery & Other Merchandise Margin

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Fiscal Year</u>
F2008	34.0%	33.1%			
F2007	32.3	32.6	30.8%	35.0%	32.7%
F2006	32.1	33.5	31.3	31.1	32.1

Prepared Food & Fountain Same-store Sales Growth

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Fiscal Year</u>
F2008	9.5%	10.6%			
F2007	9.5	13.7	11.9%	8.5%	11.0%
F2006	7.2	4.5	9.9	7.4	7.4

Prepared Food & Fountain Margin

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Fiscal Year</u>
F2008	61.7%	63.0%			
F2007	62.9	61.6	62.1%	61.6%	62.0%
F2006	64.0	64.6	62.6	60.9	63.0



Corporate information is available at this Web site: <http://www.caseys.com>. Earnings will be reported during a conference call on December 6, 2007. The call will be broadcast live over the Internet at 9:30 a.m. CT via the Investor Relations section of our Web site and will be available in an archived format.