PERRIGO Co plc
Form PRE 14A
September 11, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

PERRIGO COMPANY PLC

(Name of Registrant as Specified in Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2015 ANNUAL GENERAL MEETING

Perrigo Company plc s 2015 Annual General Meeting of Shareholders

will be held at the following day, time and location:

Date: Wednesday, November 4, 2015

Time: 10:00 a.m. GMT

Location: The Marker Hotel,

Grand Canal Square,

Dublin 2, Ireland

Meeting Agenda:

1. Elect the eleven director nominees named in the Proxy Statement as directors to serve until the Company s Annual General Meeting of Shareholders in 2016.

2. Ratify, in a non-binding advisory vote, the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company and authorize, in a binding vote, the Board of Directors, acting through the Audit Committee, to fix the remuneration of the auditor.

3. Approve, in a non-binding advisory vote, the Company s executive compensation.

4. Authorize the Company and/or any subsidiary of the Company to make market purchases and overseas market purchases of Company shares.

5. Determine the price range at which the Company can reissue shares that it holds as treasury shares.

6. Approve amendments to the Memorandum of Association of the Company.

7. Adopt revised Articles of Association of the Company.

8. Transact such other business that may properly come before the meeting.

Proposals 1 through 4 are ordinary resolutions requiring the approval of a simple majority of the votes cast at the meeting. Proposals 5 through 7 are special resolutions requiring the approval of not less than 75% of the votes cast. All proposals are more fully described in this Proxy Statement.

During the meeting, management will also present the Company s Irish Statutory Financial Statements for the fiscal year ended June 27, 2015, along with the related directors and auditor s reports.

If you plan on attending the meeting, you may obtain admission tickets at the registration desk immediately prior to the meeting. Shareholders whose shares are registered in the name of a broker, bank or other nominee should bring proof or certificate of ownership to the meeting.

While all shareholders are invited to attend the meeting, only shareholders of record on September 8, 2015 may vote on the matters to be acted upon at the meeting.

Your vote is important. Please consider the issues presented in this Proxy Statement and vote your shares as soon as possible. To do so, you should promptly sign, date and return the enclosed proxy card or proxy voting instruction form or vote by telephone or Internet following the instructions on the proxy card or instruction form.

By order of the Board of Directors

Todd W. Kingma

Executive Vice President, General Counsel

and Company Secretary

September [ ], 2015

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This year, we are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites stockholders receipt of proxy materials, while lowering the costs and reducing the environmental impact of our annual meeting. On or about September [ ], 2015, we mailed to our beneficial owners a notice of internet availability of proxy materials containing instructions on how to access our proxy statement and annual report and how to vote online. All other stockholders will receive a paper copy of the proxy statement, proxy card and annual report by mail unless otherwise notified by us or our transfer agent. The notice of internet availability contains instructions on how you can (i) receive a paper copy of the proxy statement, proxy card and annual report if you only received a notice by mail or (ii) elect to receive your proxy statement and annual report over the Internet if you received them by mail this year.

Our 2015 Proxy Statement, 2015 Annual Report to Shareholders and 2015 Irish Statutory Financial Statements are available at http://www.viewproxy.com/perrigo/2015.

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Perrigo Company plc

Proxy Statement

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The proxy statement, form of proxy and voting instructions are being mailed to shareholders starting on or about September [ ], 2015.

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Proxy Summary

Here are highlights of important information you will find in this proxy statement. As this is only a summary, we encourage you to review the complete proxy statement before you vote.

Governance

- Annual director elections; all directors and director nominees except Mr. Papa and Mr. Coucke are independent under the New York Stock Exchange (NYSE) rules
- All committee members are independent under NYSE rules
- Board of Directors is diverse in gender, ethnicity, experience and skills
- Independent directors regularly meet in executive session
- Lead independent director
- Annual board and committee assessments

Shareholder Interest

- No shareholder rights plan
- Executive compensation emphasizes performance-based compensation
- Annual advisory vote on executive compensation, with over 87% of the votes cast at our Annual General Meeting (AGM) in 2014 approving the compensation of our named executive officers
- Directors and executive officers are subject to robust share ownership guidelines

Financial

- Record net sales of $4.6 billion

Operating income of $747.7 million and earnings per share of $0.92.

Voting Matters

Resolutions Proposed for Shareholder Vote	**Board Vote Recommendation**	**Page Reference for Additional Details**
1. Election of directors	FOR each nominee	42
2. Ratify, in a non-binding advisory vote, the appointment of Ernst & Young LLP as our independent registered public accounting firm for the transition period ending December 31, 2015 and authorize, in a binding vote, the Board of Directors, acting through the Audit Committee, to fix the remuneration of the auditor	FOR	49
3. Advisory vote on executive compensation	FOR	51
4. Authorize the Company and/or any subsidiary of the Company to make market purchases and overseas market purchases of Company shares	FOR	53
5. Determine the price range at which the Company can reissue shares that it holds as treasury reserves	FOR	54
6. Approve amendments to the Memorandum of Association of the Company	FOR	55
7. Adopt revised Articles of Association of the Company	FOR	56

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Meeting Information

Location: The Marker Hotel, Grand Canal Square, Dublin 2, Ireland

Date: November 4, 2015

Time: 10:00 a.m. GMT

Only shareholders at the close of business on the record date, September 8, 2015, may vote at the AGM. Each share is entitled to one vote on each matter to be voted on at the AGM.

Even if you have voted by proxy, you may still attend and vote at the AGM. Please note, however, that if you are a beneficial owner whose shares are held in street name, you are not the shareholder of record. In that event, if you wish to attend and vote at the AGM, you must obtain a proxy issued in your name from that holder of record giving you the right to vote your shares at the AGM, or if you are a beneficial owner of shares traded through the Tel Aviv Stock Exchange, you must obtain a certificate of ownership from the Tel Aviv Stock Exchange Clearing House Ltd. member through which your shares are registered.

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Voting Information

1. Who may vote and how many votes do I have?
Shareholders owning Perrigo s ordinary shares at the close of business on September 8, 2015, the record date, or their proxy holders, may vote their shares at the AGM. On that date, there were 146,375,987 Perrigo ordinary shares outstanding.

Each ordinary share held as of the record date is entitled to one vote on each matter properly brought before the AGM.

2. What is the difference between holding shares as a shareholder of record and as a beneficial owner?
Shareholder of Record: If your ordinary shares are registered directly in your name with Perrigo s Transfer Agent, Computershare, you are considered, with respect to those shares, the shareholder of record.

Beneficial Owner: If your shares are held in a brokerage account or by another nominee (including through a Tel Aviv Stock Exchange (TASE) Clearing House member), you are considered to be the beneficial owner of shares held in street name, and these proxy materials, together with a voting instruction card, are being forwarded to you by your broker, bank or other nominee. As the beneficial owner of the shares, you have the right to direct your broker, bank or other nominee how to vote, and you are also invited to attend, but not vote at, the AGM. If you are a beneficial owner, you may not vote your shares in person at the AGM unless you obtain a legal proxy giving you the right to vote those shares at the AGM from the broker, bank or other nominee holding your shares in street name, or if you are a beneficial owner of shares traded through the TASE, unless you obtain a certificate of ownership from the Tel Aviv Stock Exchange Clearing House Ltd. (the TASE Clearing House) member through which your shares are registered. If your shares are held in this way, your broker, bank or other nominee should have enclosed or provided voting instructions for you to use in directing the broker, bank or other nominee how to vote your shares.

3. How do I vote?
While you should follow the specific voting instructions given by your bank, broker or other nominee; here is a summary of the common voting methods:

If you own ordinary shares as a shareholder of record, you may vote your shares in any of the following ways:

- mailing your completed and signed proxy card in the enclosed return envelope by following the instructions set forth in the enclosed proxy card;

- voting by telephone by following the recorded instructions or over the Internet as instructed on the enclosed proxy card; or

- attending the AGM and voting in person.

If you hold your shares in street name (other than through a TASE Clearing House member):

- You will need to obtain a legal proxy from your bank, broker or nominee in order for you to vote in person at the AGM and submit the legal proxy along with your ballot at the AGM. In addition, you may request paper copies of the Proxy Statement and voting instruction form from your broker, bank or nominee by following the instructions on the Internet Notice of Availability provided by your broker, bank or nominee.

If you own shares that are traded through the TASE, you may vote your shares in one of the following two ways:

By mail: complete, sign and date the proxy card or voting instruction form and attach to it an ownership certificate from the TASE Clearing House member through which your shares are registered (i.e., your broker, bank or other nominee) indicating that you were the beneficial owner of the shares on September 8, 2015, the record date for voting, and return the proxy card or voting instruction form, along with the ownership certificate, to our designated address for that purpose in Israel, P.O. Box 7100, Tel Aviv, 6107002, Israel. If the TASE member holding your shares is not a TASE Clearing

House member, please make sure to include an ownership certificate from the TASE Clearing House member in which name your shares are registered.

In person: attend the AGM, where ballots will be provided. If you choose to vote in person at the AGM, you need to bring an ownership certificate from the TASE Clearing House member through which your shares are registered (i.e., your broker, bank or other nominee) indicating that you were the beneficial owner of the shares on September 8, 2015, the record date for voting. If the TASE member holding your shares is not a TASE Clearing House member, please make sure to include an ownership certificate from the TASE Clearing House member in which name your shares are registered.

4. May I change my vote after I have mailed my signed proxy card or voted by telephone or over the Internet?

Yes, you may change your vote at any time before your proxy is voted at the AGM in one of four ways:

timely deliver a valid later-dated proxy by mail by following the instructions set forth in the enclosed proxy card;

timely deliver written notice that you have revoked your proxy to the Company Secretary at the following address:

Perrigo Company plc,

Treasury Building,

Lower Grand Canal Street,

Dublin 2,

Ireland

Attn: Company Secretary;

timely submit revised voting instructions by telephone or over the Internet by following the instructions set forth on the proxy card; or

attend the AGM and vote in person. Simply attending the AGM, however, will not revoke your proxy or change your voting instructions; you must vote by ballot at the AGM to change your vote.

If you are a beneficial owner of shares held in street name or otherwise (including through a TASE Clearing House member) and you have instructed your bank, broker or other nominee to vote your shares, you may revoke your proxy at any time, before it is exercised, by:

following the requirements of your bank, broker or nominee; or

voting in person at the AGM by obtaining a legal proxy from your bank, broker or nominee and submitting the legal proxy with your ballot (if your shares are traded through the NYSE) or by obtaining a certificate of ownership from the TASE Clearing House member through which your shares are registered and submitting the certificate of ownership along with your ballot (if your shares are traded through the TASE).

5. How does discretionary voting authority apply?

If you sign, date and return your proxy card or vote by telephone or Internet, your vote will be cast as you direct. If you do not indicate how you want to vote, you give authority to Judy Brown and Todd Kingma to vote on the items discussed in these proxy materials and on any other matter that is properly raised at the AGM. In that event, your proxy will be voted consistent with the board s voting recommendations and FOR or AGAINST any other properly raised matters at the discretion of Judy Brown and Todd Kingma.

6. What constitutes a quorum?

According to our Memorandum and Articles of Association, the presence of more than 50% of the total issued shares constitutes a quorum. You will be considered part of the quorum if you return a signed and dated proxy

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card, vote by telephone or Internet, or attend the AGM in person. Abstentions and broker non-votes are counted as shares present at the AGM for purposes of determining whether a quorum is present at the meeting.

7. What are broker non-votes?

A broker non-vote occurs when the broker, bank or other holder of record that holds your shares in street name is not entitled to vote on a matter without instruction from you and you do not give any instruction. Unless instructed otherwise by you, brokers, banks and other street name holders will not have discretionary authority to vote on any matter at the AGM other than Proposal 2 and will be considered broker non-votes having no effect on the relevant resolution.

8. What is the required vote?

To pass an ordinary resolution, a simple majority of the votes cast in person or by proxy must be in favor of the resolution, while 75% of the votes cast is required for a special resolution to pass.

The election of each person nominated to serve as a director in Proposal 1 and Proposals 2 through 4 are ordinary resolutions requiring a simple majority of votes cast. Proposals 5 through 7 are special resolutions requiring 75% of votes cast to pass. Abstentions and broker non-votes will have no impact on the outcome of any proposal.

9. How do I submit a shareholder proposal or director nomination for the next AGM?

Due to our change in fiscal year end to December 31, we expect that the 2016 AGM will be held more than 30 days earlier than the anniversary date of the 2015 AGM. Rule 14a-8 under the Exchange Act provides that if a company changes the date of its next annual meeting of stockholders by more than 30 days from the anniversary date of the previous year s annual meeting of stockholders, then the deadline for submission of a proposal to be considered for inclusion in the company s proxy statement is a reasonable time before the company begins to print and mail proxy materials. In addition, our Articles of Association provide that, in the event that an AGM is more than 30 days before the anniversary date of the previous year s AGM, the deadline for submission shall be not earlier than the 90th day prior to such annual general meeting and not later than the later of the 70th day prior to such annual general meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Once the date is established for the 2016 Annual Meeting, we will announce such date on a Current Report on Form 8-K.

If you want to submit a proposal for inclusion in our proxy statement for the 2016 AGM or nominate an individual for election as a director at the 2016 AGM, you should carefully review the relevant provisions of the Company s Memorandum and Articles of Association. Your proposal must be in writing and must comply with the proxy rules of the Securities and Exchange Commission (the SEC) and the Memorandum and Articles of Association of the Company. If you submit your proposal after the deadline, then SEC rules permit the individuals named in the proxies solicited by Perrigo s Board of Directors for that meeting to vote on that proposal at their discretion, but they are not required to do so.

To properly bring a proposal (other than the nomination of a director) before an annual general meeting, the advance notice provisions of our Articles of Association require that your notice of the proposal must include in summary: (1) your name and address and the name and address of the beneficial owner of the shares, if any; (2) the number of Perrigo ordinary shares owned beneficially and of record by you and any beneficial owner as of the date of the notice (which information must be supplemented as of the record date); (3) a description of certain agreements, arrangements or understandings that you or any beneficial owner have entered into with respect to the shares (which information must be supplemented as of the record date) or the business proposed to be brought before the meeting; (4) a representation that you or any beneficial owner are the holder of shares entitled to vote at the meeting and intend to appear at the meeting to propose such business; (5) a representation whether you or any beneficial owner are a part of a group that intends to deliver a proxy statement or otherwise solicit proxies on the proposal; (6) any other information regarding you or any beneficial owner that would be required under the SEC s proxy rules and regulations; and (7) a brief description of the business you propose to be brought before the meeting, the reasons for conducting that business at the meeting, and any material interest that you or any beneficial owner has in that business. You should send any proposal to our Company Secretary at the address on the cover of this proxy statement.

With respect to director nominations, the advance notice provisions of our Articles of Association require that your notice of nomination must include: (1) your name and address and the name and address of the beneficial owner of the shares, if any; (2) the number of Perrigo ordinary shares owned beneficially and of record by you and any beneficial owner as of the date of the notice (which information must be supplemented as of the record date); (3) a description of certain agreements, arrangements or understandings that you or any beneficial owner have entered into with respect to the shares (which information must be supplemented as of the record date); (4) a representation that you or any beneficial owner are the holder of shares entitled to vote at the meeting and intend to appear at the meeting to propose such business; (5) a representation whether you or any beneficial owner are a part of a group that intends to deliver a proxy statement or otherwise solicit proxies on the proposal; (6) the name, age and home and business addresses of the nominee; (7) the principal occupation or employment of the nominee; (8) the number of Perrigo ordinary shares that the nominee beneficially owns; (9) a statement that the nominee is willing to be nominated and serve as a director; (10) an undertaking to provide any other information required to determine the eligibility of the nominee to serve as an independent director or that could be material to stockholders understanding of his or her independence; and (11) any other information regarding you, any beneficial owner or the nominee that would be required under the SEC s proxy rules and regulations had our Board of Directors nominated the individual. You should send your proposed nomination to our Company Secretary at the address on the cover of this proxy statement.

10. What are the Irish Statutory Financial Statements?

The Irish Statutory Financial Statements are the financial statements required to be prepared in accordance with the Irish Companies Act 2014 and cover the results of operations and financial position of the Company for the fiscal year ended June 27, 2015. We are presenting our Irish statutory financial statements, including the reports of the auditor and the directors thereon, at the AGM and mailing those accounts to shareholders of record. Since we are an Irish company, we are required to prepare Irish statutory financial statements under applicable Irish company law and deliver those accounts to shareholders of record in connection with our AGM. However, as shareholder approval of those financial statements is not required, it will not be sought at the AGM. We will mail without charge, upon written request, a copy of the Irish statutory financial statements to beneficial owners of our shares. Requests should be sent to: Perrigo Company plc, Attention: Company Secretary, Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland or by email at GeneralMeeting@perrigo.com.

11. What does it mean if I receive more than one proxy card?

Your shares are likely registered differently or are in more than one account. You should complete and return each proxy card you receive to guarantee that all of your shares are voted.

12. Who pays to prepare, mail and solicit the proxies?

Perrigo pays all of the costs of preparing and mailing the proxy statement and soliciting the proxies. We do not compensate our directors, officers and employees for mailing proxy materials or soliciting proxies in person, by telephone or otherwise.

13. Can I access these proxy materials on the Internet?

Yes. The proxy statement and our 2015 Annual Report and a link to the means to vote by Internet are available at http://www.viewproxy.com/perrigo/2015.

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Corporate Governance

General

We manage our business under the direction of our Board of Directors. The Chief Executive Officer (CEO) is a member of, and reports directly to, our Board, and members of our executive management team regularly advise our Board on those business segments for which each executive has management responsibility. Our Board is kept informed through discussions with our CEO and other officers, by reviewing materials provided to them, by visiting our offices and by participating in Board and committee meetings.

Corporate Governance Guidelines

The Board of Directors has adopted Corporate Governance Guidelines that are available on our website (http://www.perrigo.com) under the heading Investors Corporate Governance Governance Guidelines. The Board may amend these guidelines from time to time. We will mail a copy of these guidelines to any shareholder upon written request to our Company Secretary, Todd W. Kingma, at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland or by email at GeneralMeeting@perrigo.com. As part of our ongoing commitment to corporate governance, we periodically review our corporate governance policies and practices for compliance with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of both the SEC and the NYSE.

Code of Conduct

Our Code of Conduct acknowledges that a reputation for ethical, moral and legal business conduct is one of Perrigo s most valuable assets. In addition to acknowledging special ethical obligations for financial reporting, the Code requires that our employees, officers and directors comply with laws and other legal requirements, avoid conflicts of interest, protect corporate opportunities and confidential information, conduct business in an honest and ethical manner and otherwise act with integrity and in Perrigo s best interest. Our Code of Conduct is available on our website (http://www.perrigo.com) under the heading Investors Corporate Governance Code of Conduct, and we will promptly post any amendments to or waivers of the Code on our website. We will mail a copy of our Code to any shareholder upon request to our Company Secretary, Todd W. Kingma, at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland, or at GeneralMeeting@perrigo.com.

Director Independence

Our Corporate Governance Guidelines provide that a substantial majority of our directors should meet NYSE independence requirements. A director will not be considered independent unless the Board of Directors determines that the director meets the NYSE independence requirements and has no relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Based on its most recent annual review of director independence, the Board of Directors has determined that ten of our current eleven directors are independent, including Laurie Brlas, Gary M. Cohen, Jacqualyn A. Fouse, David Gibbons, Ran Gottfried, Ellen R. Hoffing, Michael J. Jandernoa, Gerald K. Kunkle, Jr., Herman Morris, Jr. and Donal O Connor and that director nominee Shlomo Yanai is independent. Joseph C. Papa and director nominee Marc Coucke are not independent under these standards because they are currently serving as officers of Perrigo.

In making its independence determination, the Board of Directors has broadly considered all relevant facts and circumstances, and concluded that there are no material relationships that would impair these directors independence.

Board Oversight of Risk

While management is responsible for day-to-day risk management, the Board of Directors is responsible for the overall risk oversight of the Company. The Board s committees take the lead in discrete areas of risk

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oversight when appropriate. For example, the Audit Committee is primarily responsible for risk oversight relating to financial statements, the Remuneration Committee is primarily responsible for risk oversight relating to executive compensation and the Company s compensation policies and practices, and the Nominating & Governance Committee is primarily responsible for risk oversight relating to corporate governance. These committees report to the Board of Directors on risk management matters.

Management presents to the Board of Directors its view of the major risks facing the Company in a dedicated enterprise risk management presentation at least once a year. Matters such as risk appetite and management of risk are also discussed at this meeting. In addition, risk is regularly addressed in a wide range of Board discussions, including those related to segment or business unit activities, specific corporate functions (such as treasury, intellectual property, capital allocation and taxation matters), acquisitions, divestitures and consideration of other extraordinary transactions. As part of these discussions, our directors ask questions, offer insights and challenge management to continually improve its risk assessment and management. The Board has full access to management as well as the ability to engage advisors to assist the Board in its risk oversight role.

Board Leadership

Our governance documents provide the Board with flexibility to select the appropriate leadership structure for the Company. While the Board has no fixed policy with respect to combining or separating the offices of the Chairman of the Board and the Chief Executive Officer, our Corporate Governance Guidelines provide that, if the Chairman of the Board is an executive officer or for any other reason is not an independent director, the independent directors of the Board are required to elect a Lead Independent Director. In making leadership structure determinations, the Board considers many factors, including the specific needs of the business and what is in the best interests of the Company s shareholders.

Our current leadership structure consists of a combined Chairman of the Board and Chief Executive Officer, an independent director serving as Lead Independent Director and strong, active independent directors. The Board believes that the Company and its shareholders are well-served by this leadership structure. Having one person serve as both Chairman of the Board and Chief Executive Officer provides clear leadership for the Company and helps ensure accountability for the successes and failures of the Company. At the same time, having a Lead Independent Director vested with key duties and responsibilities and three independent Board Committees chaired by independent directors provides a formal structure for strong, independent oversight of the Chairman and Chief Executive Officer and the rest of the Company s management team.

Lead Independent Director

Since August 2003, the Board of Directors has appointed an independent director to serve as Lead Independent Director. The role of the Lead Independent Director includes:

- presiding at all Board meetings at which the Chairman is not present, including executive sessions of the independent directors;
- serving as a liaison between the Chairman and the independent directors, including being responsible for communicating with the CEO regarding CEO performance evaluations and providing feedback from the independent director sessions;
- having the authority to call meetings of the independent directors; and
- approving Board meeting agendas and schedules to assure there is sufficient time for discussion of all agenda items.

The Lead Independent Director is selected from those Perrigo directors who are independent, who have had a minimum of three years of service on Perrigo s Board of Directors, and who have not been a former executive officer of Perrigo. The Lead Independent Director position is for an initial term of three years subject to annual reviews by our Nominating & Governance Committee and re-election as a director at the intervening AGM.

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Following the initial three-year term, the Board may elect on an annual basis to continue the term of the Lead Independent Director.

Gerald K. Kunkle, Jr. has held the position of Lead Independent Director of Perrigo Company since August 2009. In August 2015, Mr. Kunkle was selected by the Board to serve as Perrigo s Lead Independent Director for another one-year term.

Board of Directors and Committees

Perrigo s Board of Directors met 11 times in fiscal 2015. In addition to these meetings, directors attended Board committee meetings. The Board of Directors has standing Audit, Remuneration and Nominating & Governance Committees, and there were a total of 23 committee meetings in fiscal 2015. Each director attended at least 75% of the regularly scheduled and special meetings of the Board and Board committees on which he or she served in fiscal 2015.

We encourage all of our directors to attend our annual general meetings, all of whom attended the AGM in 2014.

The Board has adopted a charter for each of the Audit, Remuneration and Nominating & Governance Committees that specifies the composition and responsibilities of each committee. Copies of the charters are available on our website (http://www.perrigo.com) under For Investors Corporate Governance Committee Charters and are available in print to shareholders upon request to our Company Secretary, Todd W. Kingma, Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland, or GeneralMeeting@perrigo.com.

Audit Committee

During fiscal 2015, the Audit Committee met ten times. The Audit Committee currently consists of the following independent directors: Laurie Brlas (Chair), Jacqualyn A. Fouse, Ellen R. Hoffing and Donal O Connor.

The Audit Committee monitors our accounting and financial reporting principles and policies and our internal controls and procedures. It is directly responsible for the compensation and oversight of the work of the independent registered public accounting firm in the preparation and issuance of audit reports and related work, including the resolution of any disagreements between management and the independent registered public accounting firm regarding financial reporting. It is also responsible for overseeing the work of our internal audit function. Additional information on the committee and its activities is set forth in the Audit Committee Report on page 41.

The Board of Directors has determined that each member of the Audit Committee (1) meets the audit committee independence requirements of the NYSE listing standards and the rules and regulations of the SEC and (2) is able to read and understand fundamental financial statements, as required by the NYSE listing standards. The Board has also determined that Laurie Brlas, Jacqualyn A. Fouse, Ellen Hoffing and Donal O Connor have the requisite attributes of an audit committee financial expert under the SEC s rules and that such attributes were acquired through relevant education and work experience.

Remuneration Committee

During fiscal 2015, the Remuneration Committee met seven times. The Remuneration Committee currently consists of the following independent directors: Ellen R. Hoffing (Chair), Gerald K. Kunkle, Jr., Laurie Brlas and Ran Gottfried.

The Remuneration Committee reviews and recommends to the Board compensation arrangements for the Chief Executive Officer and non-employee directors. It also reviews and approves the annual compensation for executive officers, including salaries, bonuses and incentive and equity compensation, and administers Perrigo s incentive and other long-term employee compensation plans. The Remuneration Committee has engaged Meridian Compensation Partners, LLC (Meridian) as its independent consultant to assist it in considering and analyzing market practices and trends as well as management s compensation recommendations. Perrigo has not retained Meridian Compensation Partners, LLC to perform any other compensation-related or consulting services for Perrigo. Additional information regarding the processes and procedures of the Remuneration Committee is presented in the Compensation Discussion and Analysis Compensation Program Administration section, on page 15. In addition, interactions between Meridian and management are generally limited to discussions on behalf of the Committee or as required to compile information at the Committee s direction. Based on these factors, its own evaluation of Meridian s independence pursuant to the requirements approved and adopted by the SEC and the NYSE, and information provided by Meridian, the Committee has determined that the work performed by Meridian does not raise any conflicts of interest.

Nominating & Governance Committee

During fiscal 2015, the Nominating & Governance Committee met six times. The Nominating & Governance Committee currently consists of the following independent directors: Gary M. Cohen (Chair), Herman Morris Jr. and Gerald K. Kunkle, Jr.

The Nominating & Governance Committee identifies and recommends to the Board qualified director nominees. This committee also develops and recommends to the Board the Corporate Governance Guidelines applicable to Perrigo, leads the Board in its annual review of Board performance and makes recommendations to the Board with respect to the assignment of individual directors to various committees.

Executive Sessions of Independent Directors

The independent members of the Board of Directors hold regularly scheduled meetings in executive session without management and also meet in executive session with the Chief Executive Officer on a regular basis.

Shareholder Communications with Directors

Shareholders and other interested parties may communicate with any of our directors or with the independent directors as a group by writing to them in care of our Company Secretary, Todd W. Kingma, at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland. Relevant communications will be distributed to the appropriate directors depending on the facts and circumstances outlined in the communication. In accordance with the policy adopted by our independent directors, any communications that allege or report significant or material fiscal improprieties or complaints about internal accounting controls or other accounting or auditing matters will be immediately sent to the Chair of the Audit Committee and, after consultation with the Chair, may be sent to the other members of the Audit Committee. In addition, the Lead Independent Director will be advised promptly of any communications that allege misconduct on the part of Perrigo management or that raise legal or ethical concerns about Perrigo s practices or compliance concerns about Perrigo s policies. The General Counsel maintains a log of all such communications, which is available for review by any Board member upon his or her request.

Director Nominations

The Nominating & Governance Committee is responsible for screening and recommending candidates for service as a director and considering recommendations offered by shareholders in accordance with our Articles of Association. The Board as a whole is responsible for approving nominees. The Nominating & Governance Committee recommends individuals as director nominees based on various criteria, including their business and professional background, integrity, diversity, understanding of our business, demonstrated ability to make independent analytical inquiries and the willingness and ability to devote the necessary time to Board and committee duties. A director s qualifications in meeting these criteria are considered at least each time the

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director is recommended for Board membership. Should a new director be needed to satisfy specific criteria or to fill a vacancy, the Nominating & Governance Committee will initiate a search for potential director nominees, and may seek input from other Board members, the Chief Executive Officer, senior management and any outside advisers retained to assist in identifying and evaluating candidates.

Shareholders may nominate candidates for consideration at an annual general meeting by following the process described in the Articles of Association and summarized in this proxy statement under Voting Information How do I submit a shareholder proposal or director nomination for the next AGM?

Upon a change in a director s job responsibility, including retirement, our Corporate Governance Guidelines require the director to tender his or her resignation from the Board. The Nominating & Governance Committee will consider the change in circumstance and make a recommendation to the Board to accept or reject the offer of resignation.

Stock Ownership

Under our Corporate Governance Guidelines, each director who is not a Perrigo employee is required to attain stock ownership at a level equal to five times his or her annual cash retainer. Non-employee directors are subject to the same definition of stock ownership and retention requirements as executive officers, the details of which are described in the Compensation Discussion and Analysis Elements of Compensation Executive Stock Ownership Guidelines section, on page 24. All of our non-employee directors are in compliance with these guidelines.

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Certain Relationships and Related-Party Transactions

Our Code of Conduct precludes our directors, officers and employees from engaging in any type of activity, such as related-party transactions, that might create an actual or perceived conflict of interest. In addition, our Board of Directors adopted a Related-Party Transaction Policy that requires that all covered related-party transactions be approved or ratified by the Nominating & Governance Committee. Under that policy, each executive officer, director or director nominee must promptly notify the Chair of the Nominating & Governance Committee and our General Counsel in writing of any actual or prospective related-party transaction covered by the policy. The Nominating & Governance Committee, with input from our Legal Department, reviews the relevant facts and approves or disapproves the transaction. In reaching its decision, the Nominating & Governance Committee considers the factors outlined in the policy, a copy of which is available on our website (http://www.perrigo.com) under the heading Investors Corporate Governance Related-Party Transaction Policy.

In addition, on an annual basis, each director and executive officer completes a Directors and Officers Questionnaire that requires disclosure of any transactions with Perrigo in which he or she, or any member of his or her immediate family, has a direct or indirect material interest in Perrigo. The Nominating & Governance Committee reviews the information provided in response to these questionnaires.

Omega Acquisition

On March 30, 2015, we acquired Omega Pharma Invest NV (Omega) from Alychlo NV (Alychlo) and Holdco I BE NV for nearly $3.0 billion in equity and cash, with $1.4 billion of existing Omega debt assumed by us in the transaction. Marc Coucke, the founder and Chief Executive Officer of Omega, and his spouse are the principal shareholders of Alychlo, which received all of the equity consideration in the acquisition that represented a value of approximately $2.26 billion at that time. Following the acquisition, Mr. Coucke was appointed as acting as permanent representative of Mylecke Management, Art & Invest NV (Mylecke), serving as EVP, General Manager, Omega Pharma.

Under the terms of the acquisition agreement, Mr. Coucke is subject to a non-compete until the later of March 30, 2020, or three years after the date he ceases to be a service provider, consultant, manager, or director of the Company or any of its subsidiaries, subject to certain exceptions. In addition, the equity consideration shares are subject to a lock-up agreement, and the Company has granted Alychlo registration rights in connection with the issuance of those shares.

Consultancy Agreement

On November 5, 2014, Omega entered into a Consultancy Agreement (the Consultancy Agreement) with Mylecke, represented by Mr. Coucke, which we assumed in connection with the Omega acquisition. The Consultancy Agreement requires Mr. Coucke to, upon request, assist the Omega business in Belgium. The Consultancy Agreement provides for annual fixed reimbursement of EUR 1,200,000; eligibility for an annual bonus, the amount and criteria to be determined by the Board of Directors; and reimbursement for reasonable out-of-pocket expenses. No bonus was awarded to Mr. Coucke in fiscal 2015. The Consultancy Agreement has an indefinite term. We may terminate the Consultancy Agreement at any time (i) if Mr. Coucke seriously breaches the terms of it or (ii) if we pay Mr. Coucke EUR 1,200,000. Mr. Coucke may terminate the Consultancy Agreement at any time if (i) we seriously breach the terms of it or (ii) Mr. Coucke provides six months notice. Mr. Coucke is subject to non-solicitation provisions during the term of the Consultancy Agreement and for twelve months thereafter.

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Director Compensation

All of our non-employee directors are paid an annual cash retainer of $75,000. A supplemental annual cash retainer is also paid to committee chairs, the Lead Independent Director, and non-chair committee members as described below:

Committee Member Retainer:	
Audit	$ 12,500
Remuneration	(128,721)

Cash flows from financing:		
Proceeds from long-term debt	569,000	
Payments of long-term debt	(68,836)	(16,559)
Net borrowings of short-term debt	9,000	
Proceeds from exercise of stock options	3,465	1,084
Payments of cash dividends	(15,341)	(12,980)
Repurchase of common stock	(501,026)	
Payments of prepayment penalties	(11,350)	
Excess tax benefits related to stock option exercises	594	274
Net cash used in financing activities	(14,494)	(28,181)

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CASEY S GENERAL STORES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Continued)

(DOLLARS IN THOUSANDS)

		Nine months ended January 31,	
		2011	2010
Net (decrease) increase in cash and cash equivalents		(87,230)	7,196
Cash and cash equivalents at beginning of the period		151,676	145,695
Cash and cash equivalents at end of the period	$	64,446	152,891

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

		Nine months ended January 31,	
		2011	2010
Cash paid during the period for:			
Interest, net of amount capitalized	$	16,934	7,931
Income taxes		27,332	38,582

See notes to unaudited condensed consolidated financial statements.

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CASEY S GENERAL STORES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

(Dollars in Thousands, Except Share and Per Share Amounts)

1. *The accompanying condensed consolidated financial statements include the accounts and transactions of the Company and its wholly-owned subsidiaries. All material inter-company balances and transactions have been eliminated in consolidation.*

2. *The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Although management believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these interim condensed consolidated financial statements be read in conjunction with the Company s most recent audited financial statements and notes thereto. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of January 31, 2011 and April 30, 2010, and the results of operations for the three and nine months ended January 31, 2011 and 2010, and cash flows for the nine months ended January 31, 2011 and 2010.*

3. *The Company recognizes retail sales of gasoline, grocery and general merchandise, prepared food and commissions on lottery, prepaid phone cards, and video rentals at the time of the sale to the customer. Vendor rebates in the form of rack display allowances are treated as a reduction in cost of sales and are recognized pro rata over the period covered by the applicable rebate agreement. Vendor rebates in the form of billbacks are treated as a reduction in cost of sales and are recognized at the time the product is sold.*

4. *On March 9, 2010, the Company received an unsolicited proposal from Alimentation Couche-Tard Inc. (Couche-Tard) to acquire all outstanding shares of common stock of the Company (Common Stock), at a price of $36.00 per share in cash. After careful consideration of the strategic, financial and legal aspects of the proposal and the nature and timing of the proposal in consultation with its legal and financial advisors and senior management of the Company, the Company s Board of Directors (the Board) unanimously determined that the proposal was not in the best interests of the Company, its shareholders and its other constituencies and unanimously determined to reject the proposal. Couche-Tard made public its unsolicited proposal to acquire the Company on April 9, 2010. Subsequently, on June 2, 2010, Couche-Tard and its indirect wholly owned subsidiary, ACT Acquisition Sub, Inc. (Couche-Tard Sub), commenced a tender offer for all outstanding shares of Common Stock, together with the associated rights (the Rights) to purchase Series A Serial Preferred Stock, no par value per share, of the Company issued pursuant to the Rights Agreement dated as of April 16, 2010 (the Rights Agreement), between the Company and Computershare Trust Company, N.A., as Rights Agent (the Offer), for $36.00 per share in cash. On the same date, Couche- Tard also publicly announced, and notified the*

Company of, its intent to nominate and solicit proxies for the election of a full slate of directors at the 2010 annual meeting of the Company s shareholders. After careful consideration, including a thorough review of the terms and conditions of the Offer in consultation with its legal and financial advisors and senior management of the Company, the Board determined that the Offer was not in the best interests of the Company, its shareholders and its other constituencies, and the Board recommended that the Company s shareholders not tender into the Offer. On July 22, 2010, Couche-Tard announced that it had increased the offer price to $36.75 per share in cash. After careful consideration, including a thorough review of the terms and conditions of the revised Offer in consultation with its legal and financial advisors and senior management of the Company, the Board determined that the revised Offer was not in the best interests of the Company, its shareholders and its other constituencies, and the Board recommended that the Company s shareholders not tender into the Offer. On September 1, 2010, Couche-Tard announced that it had increased the offer price to $38.50 per share in cash. After careful consideration, including a thorough review of the terms and conditions of the revised Offer in consultation with its legal and financial advisors and senior management of the Company, the Board determined that the revised Offer was not in the best interests of the Company, its shareholders and its other constituencies, and the Board recommended that the Company s shareholders not tender into the Offer.

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In response to the Offer, the Company filed with the Securities and Exchange Commission (the SEC) a Solicitation/Recommendation Statement on Schedule 14D-9 (as amended, the Schedule 14D-9). Among other subsequent amendments to the same, on September 7, 2010 the Company amended the Schedule 14D-9 to disclose that it had received an unsolicited preliminary proposal from a strategic third party regarding a consensual transaction at $40.00 per share of Common Stock in cash. On September 9, 2010, the Company confirmed that it had entered into discussions with 7-Eleven, Inc. (7-Eleven) regarding a potential transaction. While the Board believed Casey s value substantially exceeded $40.00 per share, it authorized such discussions to explore whether a transaction could be reached that reflected the true value of Casey s and was in the best interests of Casey s, its shareholders and other constituencies.

On September 23, 2010, at the 2010 Annual Meeting of Shareholders, the Company s shareholders re-elected all eight of the Company s incumbent directors and rejected a bylaw proposal submitted by Couche-Tard. On September 30, 2010, Couche-Tard disclosed that the Offer would be allowed to expire at the close of business on September 30, 2010, and that no shares of Common Stock would be purchased under the Offer.

On November 3, 2010, the Company disclosed that it had received a revised proposal from 7-Eleven of $43.00 per share of Common Stock in cash. The Board, in consultation with its financial and other advisors, carefully considered the revised proposal from 7-Eleven and determined it did not reflect the value of Casey s and its significant growth opportunities, and was not in the best interests of Casey s, its shareholders and other constituencies. The Company also disclosed on November 3, 2010 that it was no longer in discussions with 7-Eleven.

During the third quarter of fiscal 2011, the Company recorded $1,725 in legal and advisory fees incurred during the second quarter related to the evaluation of the Offer and related actions by Couche-Tard and the evaluation of the proposal from 7-Eleven.

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5. *During the second quarter, the Company issued $569,000 of aggregate principal amount of 5.22% Senior Notes to finance its Dutch Auction tender offer, to prepay the 1995 and 1999 Senior Notes, and to pay the fees and expenses associated with the tender offer and the financing. The Company purchased an aggregate of 13,157,894 shares of Common Stock at a purchase price of $38.00 per share, for a total cost of approximately $500,000, excluding fees and expenses.*

The fair value of the Company s long-term debt excluding capital lease obligations is estimated based on the current rates offered to the Company for debt of the same or similar issues. The fair value of the Company s long-term debt excluding capital lease obligations was approximately $640,000 and $161,000, respectively, at January 31, 2011 and April 30, 2010. The Company has a $50,000 line of credit with a $9,000 balance owed at January 31, 2011 and no balance was owed at April 30, 2010.

6. *The 2009 Stock Incentive Plan (the Plan), was approved by the Board in June 2009 and approved by the shareholders in September 2009. The Plan replaced the 2000 Option Plan and the Non-employee Director Stock Plan (together, the Prior Plans). There are 4,972,000 shares still available for grant at January 31, 2011. Awards made under the Plan may take the form of stock options, restricted stock or restricted stock units. Each share issued pursuant to a stock option will be counted as one share, and each share issued pursuant to an award of restricted stock or restricted stock units will reduce the shares available for grant by two. On June 23, 2010, restricted stock units with respect to a total of 14,000 shares were granted to the non-employee members of the Board. Additional information regarding the Plan is provided in the Company s 2010 Proxy Statement.*

The 2000 Stock Option Plan granted employees options with an exercise price equal to the fair value of the Company s stock on the date of grant and that expire ten years after the date of grant. Vesting is generally over a three to five-year service period. On June 23, 2009, stock options totaling 361,000 shares were granted to certain officers and key employees. These awards were granted at no cost to the grantee. These awards will vest on June 23, 2012 and compensation expense is currently being recognized ratably over the vesting period.

On June 25, 2007, stock options totaling 246,000 shares were granted to certain officers and key employees. These awards were granted at no cost to the employee. These awards vested on June 25, 2010 and compensation expense was recognized ratably over the vesting period.

On July 5, 2005, stock options totaling 234,000 shares were granted to certain officers and key employees. These awards were also granted at no cost to the employee. These awards vested on July 5, 2010 and compensation expense was recognized ratably over the vesting period.

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At January 31, 2011, options for 793,809 shares (which expire between 2011 and 2019) were outstanding for the Prior Plans. Information concerning the issuance of stock options under the Prior Plans is presented in the following table:

	Number of Shares		Weighted Average Exercise Price
Outstanding April 30, 2010	*959,550*	*$*	*22.78*
Granted			
Exercised	*165,741*		*20.90*
Forfeited			
Outstanding at January 31, 2011	*793,809*	*$*	*23.17*

At January 31, 2011, all outstanding options had an aggregate intrinsic value of $15,346 and a weighted average remaining contractual life of 6.4 years. The vested options totaled 450,809 shares with a weighted average exercise price of $21.58 per share and a weighted average remaining contractual life of 4.8 years. The aggregate intrinsic value for the vested options as of January 31, 2011, was $9,428. The aggregate intrinsic value for the total of all options exercised during the nine months ended January 31, 2011, was $3,211 and the total fair value of shares vested during the nine months ended January 31, 2011, was $3,290.

Total compensation costs recorded for the nine months ended January 31, 2011 and 2010, were $1,305 and $1,536 respectively, for the stock option and restricted stock awards. As of January 31, 2011, there was $1,497 of total unrecognized compensation costs related to the 2000 Stock Option Plan for stock options which is expected to be recognized ratably through fiscal 2013.

7. *During the first nine months of fiscal 2011, the Company acquired 74 stores through a variety of single store and multi-store transactions with several unrelated third parties. The stores were valued using a discounted cash flow model on a location by location basis. The acquisitions were recorded by allocating the cost of the assets acquired, including intangible assets and liabilities assumed, based on their estimated fair values at the acquisition date. The excess of the cost of the acquisition over the net amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill. All of the goodwill associated with these transactions will be deductible for income tax purposes over 15 years.*

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Allocation of the purchase price for the transactions in aggregate is as follows (in thousands):

Assets acquired:	
Inventories	*$ 6,374*
Property and equipment	*66,435*
Total assets	*72,809*
Liabilities assumed:	
Accrued expenses	*614*
Total liabilities	*614*
Net tangible assets required, net of cash	*72,195*
Goodwill and other intangible assets	*28,845*
Total consideration paid, net of cash acquired	*$ 101,040*

The allocation of the purchase price to assets acquired and liabilities assumed is preliminary pending finalization of management s analysis.

The following unaudited pro forma information presents a summary of our consolidated results of operations as if the transactions referenced above occurred at the beginning of the fiscal year for each of the periods presented (amounts in thousands, except per share data):

	Nine months ended January 31,	
	2011	*2010*
Total revenues	*$ 4,243,666*	*3,671,360*
Net earnings	*75,422*	*100,397*
Earnings per share:		
Basic	*$ 1.71*	*1.97*
Diluted	*$ 1.71*	*1.97*

8. *The Company is named as a defendant in four lawsuits (hot fuel cases) brought in the federal courts in Kansas and Missouri against a variety of gasoline retailers. The complaints generally allege that the Company, along with numerous other retailers, has misrepresented gasoline volumes dispensed at its pumps by failing to compensate for expansion that occurs when fuel is sold at temperatures above 60°F. Fuel is measured at 60°F in wholesale purchase transactions and computation of motor fuel taxes in Kansas and Missouri. The complaints all seek certification as class actions on behalf of gasoline consumers within those two states, and one of the complaints also seeks certification for a class consisting of gasoline consumers in all states. The actions generally seek recovery for alleged violations of state consumer protection or unfair merchandising*

practices statutes, negligent and fraudulent misrepresentation, unjust enrichment, civil conspiracy, and violation of the duty of good faith and fair dealing; several seek injunctive relief and punitive damages.

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These actions are among a total of 45 similar lawsuits that have been filed since November 2006 in 27 jurisdictions, including 25 states, the District of Columbia, and Guam against a wide range of defendants that produce, refine, distribute and/or market gasoline products in the United States. On June 18, 2007, the Federal Judicial Panel on Multidistrict Litigation ordered that all of the pending hot fuel cases (officially, the Motor Fuel Temperature Sales Practices Litigation) be transferred to the U.S. District Court for the District of Kansas in Kansas City, Kansas, for coordinated or consolidated pretrial proceedings, including rulings on discovery matters, various pretrial motions, and class certification. Discovery efforts by both sides were substantially completed during the ensuing months, and the plaintiffs filed motions for class certification in each of the pending lawsuits.

In a Memorandum and Order entered on May 28, 2010, the Court ruled on the Plaintiffs Motion for Class Certification in two cases originally filed in the U.S. District Court for the District of Kansas, American Fiber & Cabling, LLC v. BP West Coast Products, LLC, et. al., Case No. 07-2053, and Wilson v. Ampride, Inc., et. al., Case No. 06-2582, in which the Company is a named Defendant. The Court determined that it could not certify a class as to claims against the Company in the American Fiber & Cabling case, having decided that the named Plaintiff had no standing to assert such claims. However, in the Wilson case the Court certified a class as to the liability and injunctive aspects of the Plaintiff s claims for unjust enrichment and violation of the Kansas Consumer Protection Act (KCPA) against the Company and several other Defendants. With respect to claims for unjust enrichment, the class certified consists of all individuals and entities (except employees or affiliates of the Defendants) that, at any time between January 1, 2001 and the present, purchased motor fuel at retail at a temperature greater than 60°F, in the state of Kansas, from a gas station owned, operated, or controlled by one or more of the Defendants. As to claims for violation of the KCPA, the class certified is limited to all individuals, sole proprietors and family partnerships (excluding employees or affiliates of Defendants) that made such purchases.

The Court also ordered the parties to show cause in writing why the Wilson case and the American Fiber & Cabling case should not be consolidated for all purposes. The matter is now under consideration by the Court. The court has scheduled the trial to commence on May 17, 2012. Management does not believe the Company is liable to the Plaintiffs for the conduct complained of, and intends to contest the matter vigorously.

From time to time we are involved in other legal and administrative proceedings or investigations arising from the conduct of our business operations, including contractual disputes; environmental contamination or remediation issues; employment or personnel matters; personal injury and property damage claims; and claims by federal, state, and local regulatory authorities relating to the sale of products pursuant to licenses and permits issued by those authorities. Claims for compensatory or exemplary damages in those actions may be substantial. While the outcome of such litigation, proceedings, investigations, or claims is never certain, it is our opinion, after taking into consideration legal counsel s assessment and the availability of insurance proceeds and other collateral sources to cover potential losses, that the ultimate disposition of such matters currently pending or threatened, individually or cumulatively, will not have a material adverse effect on our consolidated financial position and results of operation.

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9. *Effective May 1, 2007, we adopted guidance on the recognition and measurement of an enterprise s tax positions taken in a tax return, and how we account for a tax position depending on whether the position is more likely than not to pass a tax examination. We adopted guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The total amount of gross unrecognized tax benefits was $5,482 at April 30, 2010. At January 31, 2011, we had a total of $6,282 in gross unrecognized tax benefits. Of this amount, $4,092 represents the amount of unrecognized tax benefits that, if recognized, would impact our effective tax rate. The total amount of accrued interest and penalties for such unrecognized tax benefits was $379 at January 31, 2011 and $250 at April 30, 2010. Net interest and penalties included in income tax expense for the nine months ended January 31, 2011 was an expense of $128 and a benefit of $263 for the same period of 2010. These unrecognized tax benefits relate to certain federal and state income tax filing positions claimed for our corporate subsidiaries.*

   A number of years may elapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the expiration of the statute of limitations, examinations or other unforeseen circumstances. As of January 31, 2011, the Company did not have any ongoing federal income tax examinations. Two states have an examination in progress. The Company did not have any outstanding litigation related to tax matters. At this time, management expects the aggregate amount of unrecognized tax benefits to decrease by approximately $1,200 within the next 12 months. This expected decrease is due to the expiration of statute of limitations related to certain federal and state income tax filing positions.

   The statute of limitations for federal income tax filings remains open for the years 2007 and forward. Tax years 2003 and forward are subject to audit by state tax authorities depending on the tax code of each state.

10. *Certain amounts in the prior years financial statements have been reclassified to conform to the current-year presentation, primarily related to cash flows related to acquisitions. These changes were not considered material.*

11. *Events that have occurred subsequent to January 31, 2011 have been evaluated through the filing date of this Quarterly Report on Form 10-Q with the SEC.*

12. *The Company s financial condition and results of operations are affected by a variety of factors and business influences, certain of which are described in the Cautionary Statements included in Item 2 of this Form 10-Q and in the Risk Factors described in Item 1A of the Annual Report on Form 10-K for the fiscal year ended April 30, 2010. These interim condensed consolidated financial statements should be read in conjunction with those disclosures.*

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Item 2. **Management s Discussion and Analysis of Financial Condition and Results of Operations *(Dollars in Thousands)*.**

Overview

Casey s General Stores, Inc. (Casey s) and its wholly-owned subsidiaries (Casey s, together with its subsidiaries, are referred to herein as the Company) operate convenience stores under the name Casey s General Store , HandiMart and Just Diesel (hereinafter collectively referred to as Casey s Store or Stores) in ten Midwestern states, primarily Iowa, Missouri and Illinois. On January 31, 2011, there were a total of 1,618 Casey s Stores in operation. All stores offer gasoline for sale on a self-serve basis and carry a broad selection of food (including freshly prepared foods such as pizza, donuts and sandwiches), beverages, tobacco products, health and beauty aids, automotive products and other non-food items. The Company derives its revenue primarily from the retail sale of gasoline and the products offered in its stores.

Approximately 60% of all Casey s Stores are located in areas with populations of fewer than 5,000 persons, while approximately 15% of all stores are located in communities with populations exceeding 20,000 persons. The Company operates a central warehouse, the Casey s Distribution Center, adjacent to its Corporate Headquarters facility in Ankeny, Iowa, through which it supplies grocery and general merchandise items to stores. At January 31, 2011, the Company owned the land at 1,599 locations and the buildings at 1,608 locations, and leased the land at 19 locations and the buildings at 10 locations.

The Company reported basic earnings per common share of $0.34 for the third quarter of fiscal 2011. The results include $1,725 in legal and advisory fees pertaining to the evaluation of the unsolicited offer and related actions by Alimentation Couche-Tard Inc. (Couche-Tard) and the evaluation of a proposal from 7-Eleven, Inc. (7-Eleven). Without those expenses, basic earnings per common share would have been approximately $0.37 for the quarter. For the same quarter a year ago, basic earnings per common share were $0.34.

During the third fiscal quarter, the Company acquired 64 stores, opened 9 replacement stores, and completed 6 new-store constructions. The annual goal is to increase the number of stores by 4% to 6%.

The third quarter results reflected a 3.5% increase in same-store gasoline gallons sold, with an average margin of approximately 13.9 cents per gallon. The Company policy is to price to the competition, so the timing of retail price changes is driven by local competitive conditions. During the quarter, the Company continued to benefit from a responsive pricing environment.

Same store sales of grocery and other merchandise and prepared foods and fountain showed gains during the third quarter. Operating expenses increased 18.5% in the quarter primarily due to a $1,725 pre-tax charge related to the evaluation of the unsolicited offer and related actions by Couche-Tard and the evaluation of the proposal from 7-Eleven, a $3,684 increase in credit card fees, higher transportation costs associated with higher fuel prices, an increase in insurance expense, and a greater number of stores in operation compared to the same period a year ago.

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The weak U.S. economy and high levels of unemployment have generally had an adverse impact on consumer disposable income in the Midwest. These conditions have not significantly lowered the overall demand for gasoline and the merchandise sold in stores, but management believes customers often are trading down to less expensive items inside the store. Also, inflationary pressures in commodity costs have had an adverse effect on the gross profit margin in the prepared food and fountain category. For further information concerning the Company s operating environment and certain of the conditions that may affect future performance, see the Cautionary Statements at the end of this Item 2.

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Three Months Ended January 31, 2011 Compared to

Three Months Ended January 31, 2010

(Dollars and Amounts in Thousands)

Three months ended 1/31/11	Gasoline	Grocery & Other Merchandise	Prepared Food & Fountain	Other	Total
Revenue	$ 991,143	276,075	100,189	6,792	1,374,199
Gross profit	48,101	85,385	62,266	6,779	202,531
Margin	4.9%	30.9%	62.1%	99.8%	14.7%
Gasoline gallons	347,029				

Three months ended 1/31/10	Gasoline	Grocery & Other Merchandise	Prepared Food & Fountain	Other	Total
Revenue	$ 780,792	242,544	86,005	5,036	1,114,377
Gross profit	38,303	79,255	54,019	5,023	176,600
Margin	4.9%	32.7%	62.8%	99.7%	15.8%
Gasoline gallons	309,747				

Total revenue for the third quarter of fiscal 2011 increased by $259,822 (23.3%) over the comparable period in fiscal 2010. Retail gasoline sales increased by $210,351 (26.9%) as the number of gallons sold increased by 37,282 (12%) while the average retail price per gallon increased 13.3%. During this same period, retail sales of grocery and general merchandise increased by $33,531 (13.8%), primarily due to increases in sales of tobacco products, sports and energy drinks, and juices, and a greater number of stores in operation. Prepared food and fountain sales also increased by $14,184 (16.5%), due to the continued popularity of menu offerings and a greater number of stores in operation.

The other revenue category primarily consists of lottery, prepaid phone cards, video rental and automated teller machine (ATM) commissions received and car wash revenues. These revenues increased $1,756 (34.9%) for the third quarter of fiscal 2011 primarily due to the increases in car wash revenues, lottery commissions, and ATM commissions from the comparable period in the prior year.

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Total gross profit margin was 14.7% for the third quarter of fiscal 2011, compared to 15.8% for the comparable period in the prior year. The gross profit margin on retail gasoline sales remained constant during the third quarter of fiscal 2011 from the third quarter of the prior year (4.9%). However, the gross profit margin per gallon increased (to $.1386) in the third quarter of fiscal 2011 from the comparable period in the prior year ($.1237), primarily due to the competitive response of many gasoline retailers to the movement of wholesale costs. The gross profit margin on retail sales of grocery and other merchandise decreased (to 30.9%) from the comparable period in the prior year (32.7%), primarily due to a more competitive cigarette pricing environment, a $1,059 increase in LIFO charges primarily related to cigarette cost increases, and continued promotional activity in the beverage category. The prepared food margin also decreased (to 62.1%) from the comparable period in the prior year (62.8%), primarily due to higher commodity costs and increased pizza promotional activity.

Operating expenses increased 18.5% in the third quarter of fiscal 2011 from the comparable period in the prior year, primarily due to a $1,725 pre-tax charge associated with the unsolicited offer by Couche-Tard and the proposal from 7-Eleven, a $3,684 increase in credit card fees, higher transportation costs associated with higher fuel prices, an increase in insurance expense, and a greater number of stores in operation compared to the same period a year ago. Operating expenses as a percentage of total revenue were 11% for the third quarter of fiscal 2011 compared to 11.5% for the comparable period in the prior year. The decrease in operating expenses as a percentage of total revenue was caused primarily by higher gasoline revenues resulting from the increase in the average retail price per gallon of gasoline sold.

Interest expense increased $6,160 (224.2%) in the third quarter of fiscal 2011 from the comparable period in the prior year, primarily due to the additional $569,000 principal amount outstanding on the 5.22% Senior Notes.

The effective tax rate increased 220 basis points to 39.7% in the third quarter of fiscal year 2011 from 37.5% in the third quarter of fiscal year 2010. The increase in the effective tax rate was primarily due to an upward adjustment to net deferred tax liabilities resulting from a significant income tax rate increase enacted for one state that normally contributes a substantial proportion of state income tax expense.

Net earnings decreased by $4,367 (25.3%). The decrease in net earnings was attributable primarily to the increases in operating expenses and interest expense. However, this was partially offset by the increase in gross profit dollars.

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Nine Months Ended January 31, 2011 Compared to

Nine Months Ended January 31, 2010

(Dollars and Amounts in Thousands)

Nine months ended 1/31/11	Gasoline	Grocery & Other Merchandise	Prepared Food & Fountain	Other	Total
Revenue	$ 2,855,413	902,181	309,754	18,397	4,085,745
Gross profit	159,762	291,065	194,697	18,355	663,879
Margin	5.6%	32.3%	62.9%	99.8%	16.2%
Gasoline gallons	1,059,146				

Nine months ended 1/31/10	Gasoline	Grocery & Other Merchandise	Prepared Food & Fountain	Other	Total
Revenue	$ 2,350,541	816,074	276,042	14,624	3,457,281
Gross profit	137,176	275,356	175,976	14,581	603,089
Margin	5.8%	33.7%	63.7%	99.7%	17.4%
Gasoline gallons	969,268				

Total revenue for the first nine months of fiscal 2011 increased by $628,464 (18.2%) over the comparable period in fiscal 2010. Retail gasoline sales increased by $504,872 (21.5%) as the number of gallons sold increased by 89,878 (9.3%) while the average retail price per gallon increased 11.2%. During this same period, retail sales of grocery and general merchandise increased by $86,107 (10.6%), primarily due to increases in sales of tobacco products, sports and energy drinks, juices and ice and a greater number of stores in operation. Prepared food and fountain sales also increased by $33,712 (12.2%), due to the continued popularity of menu offerings and a greater number of stores in operation.

The other revenue category primarily consists of lottery, prepaid phone cards, video rental and ATM commissions received and car wash revenues. These revenues increased $3,773 (25.8%) for the first nine months of fiscal 2011 primarily due to the increases in car wash revenues, lottery commissions, and ATM commissions from the comparable period in the prior year.

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Total gross profit margin was 16.2% for the first nine months of fiscal 2011, compared to 17.4% for the comparable period in the prior year, primarily due to decreases in the gross profit margin of all three of our major categories. The gross profit margin on retail gasoline sales decreased (to 5.6%) during the first nine months of fiscal 2011 from the comparable period of the prior year (5.8%). However, the gross profit margin per gallon increased (to $.1508) in the first nine months of fiscal 2011 from the comparable period in the prior year ($.1415), primarily due to the competitive response of many gasoline retailers to the movement of wholesale costs. The gross profit margin on retail sales of grocery and other merchandise decreased (to 32.3%) from the comparable period in the prior year (33.7%), primarily due to a more competitive cigarette pricing environment, a $1,998 increase in LIFO charges primarily related to cigarette cost increases, and increased promotional activity in the beverage category. The prepared food margin also decreased (to 62.9%) from the comparable period in the prior year (63.7%), primarily due to higher commodity costs and increased pizza promotional activity.

Operating expenses increased 16.8% in the first nine months of fiscal 2011 from the comparable period in the prior year, primarily due to a $16,038 pre-tax charge related to the evaluation of the unsolicited offer and related actions by Couche-Tard and the proposal from 7-Eleven. Without these charges, operating expenses would have increased 12.7%. Operating expenses as a percentage of total revenue were 11.2% for the first nine months of fiscal 2011 compared to 11.3% for the comparable period in the prior year. The decrease in operating expenses as a percentage of total revenue was caused primarily by higher gasoline revenues resulting from the increase in the average retail price per gallon of gasoline sold. This impact was mostly offset by the expenses associated with the unsolicited offer by Couche-Tard and the proposal from 7-Eleven, a $8,668 increase in credit card fees, and higher transportation costs associated with higher fuel prices.

Interest expense increased $11,471 (140.6%) in the first nine months of fiscal 2011 from the comparable period in the prior year, primarily due to the additional $569,000 principal amount outstanding on the 5.22% Senior Notes.

The effective tax rate increased 150 basis points to 37.7% for the first nine months of fiscal year 2011 from 36.2% for the comparable period of the prior year. The increase in the effective tax rate was primarily due to the expiration of certain statutes of limitations for unrecognized tax benefits related to federal tax credits claimed in the prior year. This non-recurring tax benefit was realized in the first quarter of fiscal year 2010. This impact was partially offset by higher expected federal tax credits for the current year. The higher rate additionally resulted from an upward adjustment to net deferred tax liabilities resulting from a significant income tax rate increase enacted for one state that normally contributes a substantial proportion of state income tax expense.

Net earnings decreased by $23,174 (24.4%). The decrease in net earnings was attributable primarily to the increases in operating expenses, interest expense, and the loss on early retirement of debt. However, this was partially offset by the increase in the gross profit dollars.

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Unsolicited Takeover Attempt by Couche-Tard

On March 9, 2010, the Company received an unsolicited proposal from Couche-Tard to acquire all outstanding shares of common stock of the Company (Common Stock), at a price of $36.00 per share in cash. After careful consideration of the strategic, financial and legal aspects of the proposal and the nature and timing of the proposal in consultation with its legal and financial advisors and senior management of the Company, the Company s Board of Directors (the Board) unanimously determined that the proposal was not in the best interests of the Company, its shareholders and its other constituencies and unanimously determined to reject the proposal. Couche-Tard made public its unsolicited proposal to acquire the Company on April 9, 2010. Subsequently, on June 2, 2010, Couche-Tard and its indirect wholly owned subsidiary, ACT Acquisition Sub, Inc. (Couche-Tard Sub), commenced a tender offer for all outstanding shares of Common Stock, together with the associated rights (the Rights) to purchase Series A Serial Preferred Stock, no par value per share, of the Company issued pursuant to the Rights Agreement dated as of April 16, 2010 (the Rights Agreement), between the Company and Computershare Trust Company, N.A., as Rights Agent (the Offer), for $36.00 per share in cash. On the same date, Couche-Tard also publicly announced, and notified the Company of, its intent to nominate and solicit proxies for the election of a full slate of directors at the 2010 annual meeting of the Company s shareholders. After careful consideration, including a thorough review of the terms and conditions of the Offer in consultation with its legal and financial advisors and senior management of the Company, the Board determined that the Offer was not in the best interests of the Company, its shareholders and its other constituencies, and the Board recommended that the Company s shareholders not tender into the Offer. On July 22, 2010, Couche-Tard announced that it had increased the offer price to $36.75 per share in cash. After careful consideration, including a thorough review of the terms and conditions of the revised Offer in consultation with its legal and financial advisors and senior management of the Company, the Board determined that the revised Offer was not in the best interests of the Company, its shareholders and its other constituencies, and the Board recommended that the Company s shareholders not tender into the Offer. On September 1, 2010, Couche-Tard announced that it had increased the offer price to $38.50 per share in cash. After careful consideration, including a thorough review of the terms and conditions of the revised Offer in consultation with its legal and financial advisors and senior management of the Company, the Board determined that the revised Offer was not in the best interests of the Company, its shareholders and its other constituencies, and the Board recommended that the Company s shareholders not tender into the Offer.

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In response to the Offer, the Company filed with the Securities and Exchange Commission (the SEC) a Solicitation/Recommendation Statement on Schedule 14D-9 (as amended, the Schedule 14D-9). Among other subsequent amendments to the same, on September 7, 2010 the Company amended the Schedule 14D-9 to disclose that it had received an unsolicited preliminary proposal from a strategic third party regarding a consensual transaction at $40.00 per share of Common Stock in cash. On September 9, 2010, the Company confirmed that it had entered into discussions with 7-Eleven, Inc. (7-Eleven) regarding a potential transaction. While the Board believed Casey s value substantially exceeded $40.00 per share, it authorized such discussions to explore whether a transaction could be reached that reflected the true value of Casey s and was in the best interests of Casey s, its shareholders and other constituencies.

On September 23, 2010, at the 2010 Annual Meeting of Shareholders, the Company s shareholders re-elected all eight of the Company s incumbent directors and rejected a bylaw proposal submitted by Couche-Tard. On September 30, 2010, Couche-Tard disclosed that the Offer would be allowed to expire at the close of business on September 30, 2010, and that no shares of Common Stock would be purchased under the Offer.

On November 3, 2010, the Company disclosed that it had received a revised proposal from 7-Eleven of $43.00 per share of Common Stock in cash. The Board, in consultation with its financial and other advisors, carefully considered the revised proposal from 7-Eleven and determined it did not reflect the value of Casey s and its significant growth opportunities, and was not in the best interests of Casey s, its shareholders and other constituencies. The Company also disclosed on November 3, 2010 that it was no longer in discussions with 7-Eleven.

During the third quarter of fiscal 2011, the Company recorded $1,725 in legal and advisory fees incurred during the second quarter related to the evaluation of the Offer and related actions by Couche-Tard and the evaluation of the offer from 7-Eleven.

Note Agreement and Self-Tender Offer

On August 9, 2010, the Company entered into a Note Purchase Agreement, dated as of August 9, 2010 (the Note Agreement), relating to the issuance by the Company of $569,000 aggregate principal amount of its 5.22% Senior Notes due 2020 (the Notes). The Company used the net proceeds from this offering to finance its previously announced Dutch auction tender offer (the Self-Tender Offer) for up to $500,000 in value of shares of Common Stock and to pay fees and expenses in connection with the Self-Tender Offer and the financing. In addition, the Company used approximately $59,000 of the proceeds from the sale of the Notes in connection with its prepayment of its outstanding senior notes, with varying interest rates, issued pursuant to a note agreement dated as of April 15, 1999, and its outstanding 7.38% senior notes, issued pursuant to a note agreement dated as of December 28, 1995 (the 1995 and 1999 Notes). On August 6, 2010, the Company prepaid in full the remaining $47,000 in aggregate principal amount outstanding under the 1995 and 1999 Notes, including make-whole prepayment penalties of $11,350. Any net proceeds of the Notes offering not used for the foregoing purposes was used for general corporate purposes.

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The Notes were issued on August 9, 2010, and bear interest at the rate of 5.22% per annum from the date thereof, payable semi-annually in arrears on February 9 and August 9 of each year. The Notes mature on August 9, 2020. The Company may at any time or from time to time prepay all or a portion of the Notes, in an amount not less than $2,000. Any such optional prepayment shall be at a price equal to 100% of the principal amount so prepaid plus the Make-Whole Amount (as defined in the Note Agreement), plus accrued and unpaid interest thereon, if any, to, but not including, the date of prepayment. Any optional prepayment of less than all of the Notes outstanding shall be allocated pro rata among all of the Notes then outstanding.

The Note Agreement provides that, in the event of a Change in Control (as defined in the Note Agreement), each holder of the Notes will have the right to require the Company to purchase all or a portion of such holder s Notes at a purchase price equal to 100% of the principal amount plus the Make-Whole Amount plus accrued and unpaid interest, if any, to, but not including, the repurchase date. Additional information is provided in the Company s Form 8-K filed with the SEC on August 10, 2010.

The Self-Tender Offer expired on August 25, 2010 at 12:00 midnight New York City time. Based on the final count by the depositary for the Self-Tender Offer, a total of approximately 26.8 million shares were validly tendered and not withdrawn at a purchase price of $38.00 per share, including approximately 12.6 million shares validly tendered through notice of guaranteed delivery. Due to the Self-Tender Offer being oversubscribed, the Company purchased a pro-rated amount of approximately 49% of shares from each tendering shareholder. As such, the Company purchased an aggregate of 13,157,894 shares of Common Stock at a purchase price of $38.00 per share, for a total cost of approximately $500,000, excluding fees and expenses related to the Self-Tender Offer. The 13,157,894 shares purchased in the Self-Tender Offer represent approximately 25.8% of the Company s shares outstanding as of August 31, 2010.

The Company policy is to charge the entire repurchase amount to common stock. Since the repurchase amount exceeded the entire balance, the first $66,890 was charged to common stock and the excess was charged to retained earnings.

Critical Accounting Policies

Critical accounting policies are those accounting policies that management believes are important to the portrayal of the Company s financial condition and results of operations.

Inventory. Inventories, which consist of merchandise and gasoline, are stated at the lower of cost or market. For gasoline, cost is determined through the use of the first-in, first-out (FIFO) method. For merchandise inventories, cost is determined through the use of the last-in, first-out (LIFO) method applied to inventory values determined primarily by the FIFO method for warehouse inventories and the retail inventory method (RIM) for store inventories, except for cigarettes, beer, pop, and prepared foods, which are valued at cost. RIM is an averaging method widely used in the retail industry because of its practicality.

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Under RIM, inventory valuations are at cost and the resulting gross margins are calculated by applying a cost-to-retail ratio to sales. Inherent in the RIM calculations are certain management judgments and estimates that could affect the ending inventory valuation at cost and the resulting gross margins.

Vendor allowances include rebates and other funds received from vendors to promote their products. The Company often receives such allowances on the basis of quantitative contract terms that vary by product and vendor or directly on the basis of purchases made. Vendor rebates in the form of rack display allowances are treated as a reduction in cost of sales and are recognized incrementally over the period covered by the applicable rebate agreement. Vendor rebates in the form of billbacks are treated as a reduction in cost of sales and are recognized at the time the product is sold.

Long-lived Assets. The Company periodically monitors under-performing stores to assess whether the carrying amount of assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, a further analysis of the amount of potential impairment is performed. The impairment loss is based on the estimated amount by which carrying value exceeds fair value of the asset group. Fair value is based on management s estimate of the future cash flows to be generated and the amount that could be realized from the sale of assets in a current transaction between willing parties. The estimate is derived from offers, actual sale or disposition of assets subsequent to the reporting period, and other indications of fair value. In determining whether an asset is impaired, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets, which for the Company is generally on a store-by-store basis. Management expects to continue its on-going evaluation of under-performing stores, and may periodically sell specific stores where further operational and marketing efforts are not likely to improve their performance. The Company incurred impairment charges of $159 and $100 during the nine months ended January 31, 2011 and 2010, respectively. Impairment charges are a component of operating expenses.

Self-insurance. The Company is primarily self-insured for employee health care, workers compensation, general liability, and automobile claims. The self-insurance claim liability is determined actuarially based on claims filed and an estimate of claims incurred but not yet reported. Actuarial projections of the losses are employed due to the high degree of variability in the liability estimates. Some factors affecting the uncertainty of claims include the time frame of development, settlement patterns, litigation and adjudication direction, and medical treatment and cost trends. The liability is not discounted.

Liquidity and Capital Resources *(Dollars in Thousands)*

Due to the nature of the Company s business, cash provided by operations is the Company s primary source of liquidity. The Company finances its inventory purchases primarily from normal trade credit aided by the relatively rapid turnover of inventory. This turnover allows the Company to conduct its operations without large amounts of cash and working capital. As of January 31, 2011, the Company s ratio of current assets to current liabilities was 1.03 to 1. The ratio at January 31, 2010 and April 30, 2010 was 1.34 to 1 and 1.29 to 1, respectively. Management believes that the Company s current $50,000 bank line of credit, together with cash flow from operations will be sufficient to satisfy the working capital needs of our business.

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Net cash provided by operations increased $18,314 (11.2%) in the nine months ended January 31, 2011 from the comparable period in the prior year, primarily as a result of increases in accrued expenses, deferred income taxes, and the loss on early retirement of debt. This result was partially offset by lower net earnings and an increase in the income tax receivable. Cash used in investing in the nine months ended January 31, 2011 increased due to the increase in the purchase of additional property and equipment and additional store acquisition activity. Cash used in financing decreased, primarily due to the proceeds from long-term debt. This impact was partially offset by the repurchase of 13,157,894 shares of Common Stock and an increase in the repayments of long-term debt.

Capital expenditures represent the single largest use of Company funds. Management believes that by acquiring and reinvesting in stores, the Company will be better able to respond to competitive challenges and increase operating efficiencies. During the first nine months of fiscal 2011, the Company expended $256,393 primarily for property and equipment, resulting from the construction, acquisition and remodeling of stores, compared to $129,793 for the comparable period in the prior year. The Company had anticipated expending between $189,000 and $243,000 in fiscal 2011 for construction, acquisition and remodeling of stores, primarily from existing cash and funds generated by operations. The Company anticipates expending approximately $50,000 during the final quarter of fiscal 2011. The Company exceeded its original budget due to more acquisitions than anticipated and an acceleration of the remodeling program.

As of January 31, 2011, the Company had long-term debt, net of current maturities, of $678,864 consisting of $569,000 in principal amount of 5.22% Senior Notes, $100,000 in principal amount of 5.72% Senior Notes, Series A and B, $9,834 of capital lease obligations, and $30 of mortgage notes payable.

To date, the Company has funded capital expenditures primarily from the proceeds of the sale of Common Stock, issuance of 6-1/4% Convertible Subordinated Debentures (which were converted into shares of Common Stock in 1994), the Senior Notes, a mortgage note, and through funds generated from operations. Future capital needs required to finance operations, improvements and the anticipated growth in the number of stores are expected to be met from cash generated by operations, the bank line of credit, and additional long-term debt or other securities as circumstances may dictate, and are not expected to adversely affect liquidity.

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Cautionary Statements ***(Dollars in Thousands)***

This Form 10-Q, including the foregoing Management s Discussion and Analysis of Financial Condition and Results of Operations, contains various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements represent the Company s expectations or beliefs concerning future events, including (i) any statements regarding future sales and gross profit percentages, (ii) any statements regarding the continuation of historical trends and (iii) any statements regarding the sufficiency of the Company s cash balances and cash generated from operations and financing activities for the Company s future liquidity and capital resource needs. The words believe, expect, anticipate, intend, estimate, project and similar expressions are used to identify forward-looking statements. The Company cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including, without limitations, the following factors described more completely in the Form 10-K for the fiscal year ended April 30, 2010:

Competition. The Company s business is highly competitive, and marked by ease of entry and constant change in terms of the numbers and type of retailers offering the products and services found in stores. Many of the food (including prepared foods) and non-food items similar or identical to those sold by the Company are generally available from a variety of competitors in the communities served by stores, and the Company competes with other convenience store chains, gasoline stations, supermarkets, drug stores, discount stores, club stores, mass merchants and fast-food outlets (with respect to the sale of prepared foods). Sales of such non-gasoline items (particularly prepared food items) have contributed substantially to the Company s gross profits from retail sales in recent years. Gasoline sales are also intensely competitive. The Company competes with both independent and national brand gasoline stations in the sale of gasoline, other convenience store chains and several non-traditional gasoline retailers such as supermarkets in specific markets. Some of these other gasoline retailers may have access to more favorable arrangements for gasoline supply then do the Company or the firms that supply its stores. Some of the Company s competitors have greater financial, marketing and other resources than the Company, and, as a result, may be able to respond better to changes in the economy and new opportunities within the industry.

Gasoline operations. Gasoline sales are an important part of the Company s sales and earnings, and retail gasoline profit margins have a substantial impact on the Company s net earnings. Profit margins on gasoline sales can be adversely affected by factors beyond the control of the Company, including the supply of gasoline available in the retail gasoline market, uncertainty or volatility in the wholesale gasoline market, increases in wholesale gasoline costs generally during a period and price competition from other gasoline marketers. The market for crude oil and domestic wholesale petroleum products is marked by significant volatility, and is affected by general political conditions and instability in oil producing regions such as the Middle East and South America. The volatility of the wholesale gasoline market makes it extremely difficult to predict the impact of future wholesale cost fluctuation on the Company s operating results and financial conditions. These factors could materially impact the Company s gasoline gallon volume, gasoline gross profit and overall customer traffic levels at stores. Any substantial decrease in profit margins on gasoline sales or in the number of gallons sold by stores could have a material adverse effect on the Company s earnings.

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The Company purchases its gasoline from a variety of independent national and regional petroleum distributors. Although in recent years the Company s suppliers have not experienced any difficulties in obtaining sufficient amounts of gasoline to meet the Company s needs, unanticipated national and international events could result in a reduction of gasoline supplies available for distribution to the Company. Any substantial curtailment in gasoline supplied to the Company could adversely affect the Company by reducing its gasoline sales. Further, management believes that a significant amount of the Company s business results from the patronage of customers primarily desiring to purchase gasoline and, accordingly, reduced gasoline supplies could adversely affect the sale of non-gasoline items. Such factors could have a material adverse impact upon the Company s earnings and operations.

Tobacco Products. Sales of tobacco products represent a significant portion of the Company s revenues. Significant increases in wholesale cigarette costs, changes in tobacco company pricing programs and incentives, and tax increases on tobacco products, as well as national and local campaigns to discourage smoking in the United States, could have an adverse effect on the demand for cigarettes sold by stores. The Company attempts to pass price increases onto its customers, but competitive pressures in specific markets may prevent it from doing so. These factors could materially impact the retail price of cigarettes, the volume of cigarettes sold by stores and overall customer traffic.

Environmental Compliance Costs. The United States Environmental Protection Agency and several states, including Iowa, have established requirements for owners and operators of underground gasoline storage tanks (USTs) with regard to (i) maintenance of leak detection, corrosion protection and overfill/spill protection systems; (ii) upgrade of existing tanks; (iii) actions required in the event of a detected leak; (iv) prevention of leakage through tank closings; and (v) required gasoline inventory recordkeeping. Since 1984, new Company stores have been equipped with non-corroding fiberglass USTs, including many with double-wall construction, over-fill protection and electronic tank monitoring. The Company currently has 3,703 USTs, of which 2,984 are fiberglass and 719 are steel. Management believes that its existing gasoline procedures and planned capital expenditures will continue to keep the Company in substantial compliance with all current federal and state UST regulations.

Several of the states in which the Company does business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs incurred by UST owners, including the Company. In each of the years ended April 30, 2010 and 2009, the Company spent approximately $1,083 and $1,128, respectively, for assessments and remediation. During the nine months ended January 31, 2011, the Company expended approximately $516 for such purposes. Substantially all of these expenditures have been submitted for reimbursement from state-sponsored trust fund programs and as of January 31, 2011, approximately $13,747 has been received from such programs since their inception. Such amounts are typically subject to statutory provisions requiring repayment of the reimbursed funds for non-compliance with upgrade provisions or other applicable laws. No amounts are currently expected to be repaid. The Company has an accrued liability at January 31, 2011 of approximately $210 for estimated expenses related to anticipated corrective actions or remediation efforts, including relevant legal and consulting costs. Management believes the Company has no material joint and several environmental liability with other parties.

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Although the Company regularly accrues expenses for the estimated costs related to its future corrective action or remediation efforts, there can be no assurance that such accrued amounts will be sufficient to pay such costs, or that the Company has identified all environmental liabilities at all of its current store locations. In addition, there can be no assurance that the Company will not incur substantial expenditures in the future for remediation of contamination or related claims that have not been discovered or asserted with respect to existing store locations or locations that the Company may acquire in the future, or that the Company will not be subject to any claims for reimbursement of funds disbursed to the Company under the various state programs or that additional regulations, or amendments to existing regulations, will not require additional expenditures beyond those presently anticipated.

Other Factors. Other factors and risks that may cause actual results to differ materially from those in the forward-looking statements include the risk that our cash balances and cash generated from operations and financing activities will not be sufficient for our future liquidity and capital resource needs, tax increases, potential liabilities and expenditures related to compliance with environmental and other laws and regulations, the seasonality of demand patterns, and weather conditions; the increased indebtedness that the Company has incurred to purchase shares of our common stock in our self tender offer; and the other risks and uncertainties included from time to time in our filings with the SEC. We further caution you that other factors we have not identified may in the future prove to be important in affecting our business and results of operations. We ask you not to place undue reliance on any forward-looking statements because they speak only of our views as of the statement dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The Company s exposure to market risk for changes in interest rates relates primarily to our investment portfolio and long-term debt obligations. We place our investments with high-quality credit issuers and, by policy, limit the amount of credit exposure to any one issuer. Our first priority is to reduce the risk of principal loss. Consequently, we seek to preserve our invested funds by limiting default risk, market risk, and reinvestment risk. We mitigate default risk by investing in only high-quality credit securities that we believe to be low risk and by positioning our portfolio to respond appropriately to a significant reduction in a credit rating of any investment issuer or guarantor. The portfolio includes only marketable securities with active secondary or resale markets to ensure portfolio liquidity. We believe an immediate 100-basis-point move in interest rates affecting our floating and fixed rate financial instruments as of January 31, 2011 would have no material effect on pretax earnings.

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In the past, we have used derivative instruments such as options and futures to hedge against the volatility of gasoline cost and were at risk for possible changes in the market value of these derivative instruments. No such derivative instruments were used during the nine months ended January 31, 2011 and 2010. However, we do from time to time, participate in a forward buy of certain commodities, primarily cheese and coffee. These contracts are not accounted for as derivatives as they meet the normal purchases exclusion under derivative accounting.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of the Company s Chief Executive Officer and Chief Financial Officer of the effectiveness of the Company s disclosure controls and procedures (as defined in Exchange Act Rule 240.13a-15(e)). Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company s current disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission s rules and forms and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

There were no changes in the Company s internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this Item is set forth in Note 8 to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q and is incorporated herein by this reference.

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Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in our 2010 Annual Report on Form 10-K.

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Item 6. Exhibits.

The following exhibits are filed with this Report or, if so indicated, incorporated by reference.

Exhibit No.	Description
3.1	Restatement of the Restated and Amended Articles of Incorporation *(incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 1996) and Articles of Amendment thereto (incorporated by reference from the Current Report on Form 8-K filed April 16, 2010, as amended by the Current Report on Form 8-K/A filed April 19, 2010).*
3.2(a)	Second Amended and Restated By-laws *(incorporated by reference from the Current Report on Form 8-K filed June 16, 2009).*
4.2	Rights Agreement between Casey s General Stores, Inc. and Computershare Trust Company, N.A., relating to Series A Serial Preferred Stock Purchase Rights *(incorporated by reference from the Current Report on Form 8-K filed April 16, 2010)*
4.8	Note Purchase Agreement dated as of September 29, 2006 among the Company and the purchasers of the 5.72% Senior Notes, Series A and Series B *(incorporated by reference from the Current Report on Form 8-K filed September 29, 2006).*
4.9	Note Purchase Agreement dated as of August 9, 2010 among the Company and the purchasers of the 5.22% Senior Notes *(incorporated by reference from the Current Report on Form 8-K filed August 10, 2010).*
31.1	Certification of Robert J. Myers under Section 302 of the Sarbanes Oxley Act of 2002
31.2	Certification of William J. Walljasper under Section 302 of the Sarbanes Oxley Act of 2002
32.1	Certificate of Robert J. Myers under Section 906 of Sarbanes-Oxley Act of 2002
32.2	Certificate of William J. Walljasper under Section 906 of Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

*Pursuant to Rule 406T of Regulations S-T, the Interactive Data Files in these exhibits are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		CASEY S GENERAL STORES, INC.
Date: March 9, 2011	By:	/s/ William J. Walljasper
		William J. Walljasper
	Its:	Senior Vice President & Chief Financial Officer
		(Authorized Officer and Principal Financial and Accounting Officer)

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EXHIBIT INDEX

The following exhibits are filed herewith:

Exhibit No.	Description
31.1	Certification of Robert J. Myers under Section 302 of the Sarbanes Oxley Act of 2002
31.2	Certification of William J. Walljasper under Section 302 of the Sarbanes Oxley Act of 2002
32.1	Certificate of Robert J. Myers under Section 906 of Sarbanes-Oxley Act of 2002
32.2	Certificate of William J. Walljasper under Section 906 of Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

*Pursuant to Rule 406T of Regulations S-T, the Interactive Data Files in these exhibits are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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