

United States  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K405

Annual Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

For the Fiscal Year Ended April 30, 2001  
Commission File Number 0-12788

CASEY'S GENERAL STORES, INC.  
(Exact name of registrant as specified in its charter)

IOWA (State or other jurisdiction of incorporation or organization)	42-0935283 (I.R.S. Employer Identification Number)
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ONE CONVENIENCE BLVD., ANKENY, IOWA  
(Address of principal executive offices)

50021  
(Zip Code)

(515) 965-6100  
(Registrant's telephone number, including area code)

Securities Registered Pursuant To Section 12(b) Of The Act:

NONE

Securities Registered Pursuant To Section 12(g) Of The Act:

COMMON STOCK  
(Title of Class)

COMMON SHARE PURCHASE RIGHTS  
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

At the close of business on July 17, 2001, the Company had 49,503,262 shares of Common Stock, no par value, issued and outstanding. The aggregate market value of the 42,207,820 shares of Common Stock held by non-affiliates of the Company on that date was \$552,922,442, based on a last reported sales price of \$13.10 per share on said date.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents, as set forth herein, are incorporated by reference into the listed Parts and Items of this report on Form 10-K:

1. Annual Report to shareholders for fiscal year ended April 30, 2001 (Items 5, 6, 7 and 8 of Part II and Item 14(a) of Part IV).
2. Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Annual Meeting of shareholders to be held on September 21, 2001 (Items 10, 11, 12 and 13 of Part III).

PART I

ITEM 1. BUSINESS

The Company

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Casey's General Stores, Inc. ("Casey's") and its wholly-owned subsidiaries (Casey's, together with its Subsidiaries, shall be referred to herein as the "Company"), operate convenience stores under the name "Casey's General Store" in nine Midwestern states, primarily Iowa, Missouri and Illinois. The stores 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. In addition, all stores offer gasoline for sale on a self-service basis. On April 30, 2001, there were a total of 1,286 Casey's General Stores in operation, of which 1,191 were operated by the Company ("Company Stores") and 95 stores were operated by franchisees ("Franchised Stores"). There were 45 Company Stores newly opened in fiscal 2001. 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 Company and Franchised Stores.

Approximately 64% of all Casey's General Stores are located in areas with populations of fewer than 5,000 persons, while approximately 10% of all stores are located in communities with populations exceeding 20,000 persons. The Company competes on the basis of price, as well as on the basis of traditional features of convenience store operations such as location, extended hours and quality of service.

Casey's, with executive offices at One Convenience Blvd., Ankeny, Iowa 50021-8045 (telephone 515/965-6100) was incorporated in Iowa in 1967. Two of the Company's subsidiaries, Casey's Marketing Company (the "Marketing Company") and Casey's Services Company (the "Services Company") also operate from the Corporate Headquarters facilities, and were incorporated in Iowa in March 1995.

General

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Casey's General Stores seek to meet the needs of residents of small towns by combining features of both general store and convenience store operations. Smaller communities often are not served by national-chain convenience stores. The Company has been successful in operating Casey's General Stores in small towns by offering, at competitive prices, a broader selection of products than a typical convenience store.

In each of the past two fiscal years, the Company derived over 95% of its gross profits from retail sales by Company Stores. It also derives income from continuing monthly royalties based on sales by Franchised Stores, wholesale sales to Franchised Stores, sign and facade rental fees and the provision of certain maintenance, transportation and construction services to the Company's franchisees. Sales at Casey's General Stores historically have been strongest during the Company's first and second quarters and relatively weaker during its fourth quarter. In the warmer months of the year (which comprise the Company's first two fiscal quarters), customers tend to purchase greater quantities of gasoline and certain convenience items such as beer, soft drinks and ice. Due to the continuing emphasis on higher-margin, freshly prepared food items, however, Casey's net sales and net income (with the exception of the fourth quarter) have become somewhat less seasonal in recent years.

The following table shows the number of Company Stores and Franchised Stores in each state on April 30, 2001:

State -----	Company Stores -----	Franchised Stores -----	Total -----
Iowa.....	284	51	335
Illinois.....	336	16	352
Indiana.....	39	0	39
Kansas.....	104	1	105
Minnesota.....	77	7	84
Missouri.....	253	15	268
Nebraska.....	55	4	59
South Dakota....	29	0	29
Wisconsin.....	14	1	15
Total.....	1,191 (93%)	95 (7%)	1,286 (100%)

The Company has operational responsibility for all Company Stores. Franchised Stores generally follow the same operating policies as Company Stores and are subject to Company supervision pursuant to its franchise agreements. Franchised Stores and Company Stores offer substantially the same products and conform to the same basic store design.

The following table shows the number of Company and Franchised Stores opened, closed, Franchised Stores converted to Company Stores and total stores in operation during each of the last five fiscal years:

Fiscal Year Ended April 30,	New Stores Opened	Closed Stores	Converted Stores	Stores in Operation at End of Period
1997				
Company.....	70	1	8	878
Franchised..	1	11	(8)	164
	--	--		-----
Total....	71	12		1,042
1998				
Company.....	75	7	0	946
Franchised..	0	1	(0)	163
	--	--		-----
Total....	75	8		1,109
1999				
Company.....	80	4	0	1,022
Franchised..	1	3	(0)	161
	--	--		-----
Total....	81	7		1,183
2000				
Company.....	84	4	17	1,119
Franchised..	1	18	(17)	127
	--	--		-----
Total....	85	22		1,246
2001				
Company.....	45	2	29	1,191
Franchised..	0	3	(29)	95
	--	--		-----
Total....	45	5		1,286

Four Company Stores were opened in May and June 2001 and 38 Company Stores were under construction at June 30, 2001. On June 30, 2001, the Company had purchased or had the right to purchase 23 additional store sites. All the stores under construction or planned for construction on such sites will be Company Stores. Management anticipates opening approximately 108 new or acquired Company Stores during fiscal 2002.

The Company intends to continue to increase the number of Company Stores, and the proportion of Company Stores relative to Franchised Stores, because of the greater profitability of Company Stores and the Company's greater operating control over such stores. The Company anticipates it will increase the number of Company Stores through construction of new stores and the acquisition of existing Franchised Stores. The Company converted 29 stores from Franchised Stores to Company Stores during fiscal 2001.

Management believes that its current market area presents substantial opportunities for continued growth, and the Company intends to concentrate its expansion efforts in this area before pursuing expansion in other geographic markets. In the opinion of management, the Casey's Distribution Center in Ankeny, Iowa can adequately supply the general merchandise requirements of up to 500 additional stores.

In its expansion, the Company intends to follow its traditional store site selection criteria and to locate most new stores in small towns, and along busy highways near or at the edge of larger metropolitan areas.

Corporate Subsidiaries  
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The Marketing Company and the Services Company were organized as Iowa corporations in March 1995, and both are wholly-owned subsidiaries of Casey's. Certain Casey's employees became employees of the Marketing Company or the Services Company on May 1, 1995, and both of those subsidiaries assumed certain responsibilities and functions formerly held by Casey's on that date.

Casey's East Central, Inc., an Iowa corporation ("Casey's East Central"), was organized as a wholly-owned subsidiary of the Marketing Company in April 1999. At the same time, Casey's East Central and Casey's formed Casey's Enterprises, LLC, an Iowa limited liability company ("Casey's Enterprises") for the purpose of owning and operating Company Stores in the State of Indiana.

Casey's now operates Company Stores in the States of Illinois, Kansas, Minnesota, Nebraska and South Dakota. Casey's also holds the rights to the Casey's trademark and trade name, and serves as franchisor in connection with the operation of Franchised Stores. The Marketing Company has responsibility for the operation of Company Stores in the States of Iowa, Missouri and Wisconsin. The Marketing Company also has responsibility for all Company wholesale operations, including the operation of the Casey's Distribution Center. Casey's East Central employs store personnel in Indiana who operate the convenience stores owned by Casey's Enterprises in that state. The Services Company provides a variety of construction and transportation services for all Company Stores.

#### Store Operations

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#### Products Offered

Each Casey's General Store typically carries approximately 1,800 food and non-food items. The products offered are those normally found in a supermarket, except that the stores do not sell produce or fresh meats, and selection is generally limited to one or two well-known brands of each item stocked. Most staple foodstuffs carried are of nationally advertised brands. Stores sell regional brands of dairy and bakery products, and approximately 84% of the stores offer beer. The non-food items carried include tobacco products, health and beauty aids, school supplies, housewares, pet supplies, photo supplies, ammunition and automotive products.

All of the Casey's General Stores offer gasoline or gasohol for sale on a self-service basis. The gasoline and gasohol offered by the stores generally are sold under the Casey's name, although some Franchised Stores sell gasoline under a major oil company brand name.

It is management's policy to experiment with additions to the Company's product line, especially products with higher gross profit margins. As a result of this policy, the Company has added various prepared food items to its product line over the years. In 1980, the Company initiated the installation of "snack centers" which now are in all Company Stores. The snack centers sell sandwiches, fountain drinks, and other items that have gross profit margins higher than those of general staple goods. The Company also sells donuts, prepared on store premises, in approximately 97% of the stores as of April 30, 2001, as well as cookies, brownies, cinnamon rolls and muffins, and is installing donut-making facilities in all newly constructed stores.

The Company began marketing made-from-scratch pizza in 1984, expanding its availability to 1,204 (94%) stores as of April 30, 2001. Management believes pizza is the Company's most popular prepared food product, although the Company continues to expand its prepared food product line, which now includes ham and cheese, barbeque beef, tenderloin and chicken breast sandwiches, barbeque rib sandwich, chicken tenders, breakfast croissants and biscuits, hash browns, quarter-pound hamburgers and cheeseburgers and potato wedges.

The pizza and other prepared food products are made on store premises with ingredients delivered from the Casey's Distribution Center. Pizza generally is available in three sizes with ten different toppings and is sold for take-out between the hours of 4:00 P.M. and 11:00 P.M. In addition, at selected store locations a luncheon menu consisting of pizza-by-the-slice and sandwiches is available.

An important part of the Company's marketing strategy is to increase sales volume by pricing competitively on price-sensitive items. On less price-sensitive items, it is the Company's policy to maintain, or in the case of Franchised Stores to recommend, a Company-wide pricing structure in each store that is generally comparable to that of other convenience, gasoline or grocery stores located in the area and competing for the same customers.

Management attributes the Company's ability to offer competitive prices to a number of factors, including the Company's central distribution system, its purchasing practices which avoid dependence upon jobbers and vendors by relying on a few large wholesale companies and its success in minimizing land, construction and equipment costs.

Management's decision to add snack center items, freshly prepared donuts and pizza to the Company's product selection reflects its strategy to promote high profit margin products that are compatible with convenience store operations. Although retail sales of non-gasoline items during the last three fiscal years have generated approximately 40% of the Company's retail sales, such sales resulted in approximately 75% of the Company's gross profits from retail sales. Gross profit margins for prepared foods items, which have averaged approximately 56% during the last three fiscal years, are significantly higher than the gross profit margin for retail sales of gasoline, which has averaged approximately 9% during such period.

## Store Design

Casey's General Stores are free-standing and, with a few exceptions to accommodate local conditions, conform to standard construction specifications. During the fiscal year ended April 30, 2001, the aggregate investment in the land, building, equipment and initial inventory for a typical Company Store averaged approximately \$950,000. The standard building designed by the Company is a pre-engineered steel frame building mounted on a concrete slab. The current store design measures 40 feet by 68 feet, with approximately 1,300 square feet devoted to sales area, 500 square feet to kitchen space, 500 square feet to storage and two large public restrooms. Store lots have sufficient frontage and depth to permit adequate drive-in parking facilities on one or more sides of each store. Each store typically includes three or four islands of gasoline dispensers and storage tanks having a capacity of 24,000 to 30,000 gallons of gasoline. The merchandising display in each store follows a standard layout designed to encourage a flow of customer traffic through all sections of the store. All stores are air conditioned and have modern refrigeration facilities. The store locations feature the Company's bright red and yellow pylon sign and facade, both of which display the name and service mark of the Company.

All Casey's General Stores remain open at least 16 hours per day, seven days a week. Most store locations are open from 6:00 a.m. to 11:00 p.m., although hours of operation may be adjusted on a store-by-store basis to accommodate customer traffic patterns. The Company requires that all stores maintain a bright, clean store interior and provide prompt check-out service. It is the Company's policy not to permit the installation of electronic games or sale of adult magazines on store premises.

## Store Locations

The Company traditionally has located its stores in small towns not served by national-chain convenience stores. Approximately 64% of all stores operate in areas with populations of fewer than 5,000 persons, while approximately 10% of all stores are located in communities with populations exceeding 20,000 persons. Management believes that a Casey's General Store provides a service not otherwise available in small towns, and that a convenience store in an area with limited population can be profitable if it stresses sales volume and competitive prices. The Company's store site selection criteria emphasize the population of the immediate area and daily highway traffic volume. Management believes that, if there is no competing store, a Casey's General Store may operate profitably at a highway location in a community with a population of as few as 500 persons.

Gasoline Operations  
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Gasoline sales are an important part of the Company's sales and earnings. Approximately 60% of Casey's net sales for the year ended April 30, 2001 were derived from the retail sale of gasoline. The following table summarizes gasoline sales by Company Stores for the three fiscal years ended April 30, 2001:

	Year Ended April 30, -----		
	2001 -----	2000 -----	1999 -----
Number of Gallons Sold	799,973,969	783,249,741	692,770,269
Total Retail Gasoline Sales	\$1,163,025,929	\$934,455,675	\$662,123,770
Percentage of Net Sales	60.5%	56.7%	52.9%
Gross Profit Percentage	7.6%	8.2%	11.0%
Average Retail Price per Gallon	\$ 1.45	\$ 1.19	\$ 0.96
Average Gross Profit Margin per Gallon	11.06	9.84	10.53
Average Number of Gallons Sold per Company Store *	692,124	734,262	706,550

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\* Includes only those stores that had been in operation for at least one full year before commencement of the periods indicated.

Retail prices of gasoline increased during the year ended April 30, 2001. The total number of gallons sold by the Company during this period also increased, primarily as the result of the increased number of Company Stores in operation and the Company's efforts to price its retail gasoline competitively in the market area served by the particular store. See "BUSINESS--Store Operations--Competition" herein. As a result of these conditions, total retail gasoline sales by the Company increased during the period, while the percentage of such sales to the Company's total net sales also increased.

Retail gasoline profit margins have a substantial impact on the Company's net income. Profit margins on gasoline sales can be adversely affected by factors beyond the control of the Company, including over-supply in the retail gasoline market, uncertainty or volatility in the wholesale gasoline market (such as that experienced during the 2001 fiscal year) and price competition from other gasoline marketers. Any substantial decrease in profit margins on gasoline sales or number of gallons sold could have a material adverse effect on the Company's earnings.

The Company purchases its gasoline from 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. A substantial curtailment in gasoline supplied to the Company could adversely affect the Company by reducing 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. These factors could have a material adverse impact upon the Company's earnings and operations.

Distribution and Wholesale Arrangements  
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The Marketing Company supplies all Company Stores and over 90% of the Franchised Stores with groceries, food, health and beauty aids and general merchandise from the Casey's Distribution Center. The stores place orders for merchandise through a telecommunications link-up to the computer at the Company's headquarters in Ankeny, and weekly shipments are made from the Casey's Distribution Center by 50 Company-owned delivery trucks. The Marketing Company charges Franchised Stores processing and shipping fees for each order filled by the Casey's Distribution Center. The efficient service area of the Casey's Distribution Center is approximately 500 miles, which encompasses all of the Company's existing and proposed stores.

The Marketing Company's only wholesale sales are to Franchised Stores, to which it sells groceries, prepared sandwiches, ingredients and supplies for donuts, sandwiches and pizza, health and beauty aids, general merchandise and gasoline. Although the Company derives income from this activity, it makes such sales, particularly gasoline sales, at narrow profit margins in order to promote the competitiveness and increase the sales to Franchised Stores.

In fiscal 2001, the Company purchased directly from manufacturers approximately 90% of the food and non-food items sold from the Casey's Distribution Center. It is the Company's practice, with few exceptions, not to enter into contracts with any of the suppliers of products sold by Casey's General Stores. Management believes that the absence of such contracts is customary in the industry for purchasers such as the Company and enables the Company to respond flexibly to changing market conditions.

#### Franchise Operations

Casey's has franchised Casey's General Stores since 1970. In addition to generating income for Casey's, franchising historically enabled Casey's to obtain desirable store locations from persons who have preferred to become franchisees rather than to sell or lease their locations to Casey's. Franchising also enabled Casey's to expand its system of stores at a faster rate, thereby achieving operating efficiencies in its warehouse and distribution system as well as greater identification in its market area. As the Company has grown and strengthened its financial resources, the advantages of franchising have decreased in importance and management currently expects to grant new franchises only to existing franchisees operating in states other than Iowa on a limited basis. See "BUSINESS - Government Regulation" herein. From April 30, 1983 to April 30, 2001, the percentage of Company Stores increased from 44% to 93%. From inception to April 30, 2001, the Company had converted 190 Franchised Stores to Company Stores by leasing or purchasing such stores.

All franchisees pay Casey's a royalty fee equal to 3% of gross receipts derived from total store sales excluding gasoline, subject to a minimum monthly royalty of \$300. Casey's currently assesses a royalty fee of \$.018 per gallon on gasoline sales, although it has discretion to increase this amount to 3% of retail gasoline sales. In addition, franchisees pay Casey's a sign and facade rental fee. The franchise agreements do not authorize Casey's to establish the prices to be charged by franchisees. Further, except with respect to certain supplies and items provided in connection with the opening of each store, each franchisee has unlimited authority to purchase supplies and inventory from any supplier, provided the products meet the Company's quality standards.

Franchise agreements typically contain a non-competition clause that restricts the franchisee's ability to operate a convenience-style store in that area for a period of two or three years following termination of the agreement. See "BUSINESS - Government Regulation" herein for a discussion of recent legislation in Iowa concerning franchise agreements.

Personnel  
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On April 30, 2001, the Company had 5,343 full-time employees and 8,456 part-time employees. The Company has not experienced any work stoppages. There are no collective bargaining agreements between the Company and any of its employees.

The Company's supervisory personnel are responsible for monitoring and assisting all stores, including Franchised Stores. Centralized control of store operations is primarily maintained by the Chief Executive Officer of the Company, who is assisted by the Vice President of Store Operations. Reporting directly to the Vice President of Store Operations are three regional operations managers. Reporting directly to the regional managers are 20 district managers, each with responsibility over approximately equal numbers of stores. Each district manager is generally in charge of eight supervisors. Each of the 165 supervisors in turn is responsible for the operations of approximately eight individual stores.

The majority of store managers and store personnel live in the community in which their Casey's store is located. Training of store managers and store personnel is conducted through the Store Operations Training Department overseen by the Director of Store Operations Training. The Company operates a central training facility at its Headquarters facility in Ankeny and provides continuing guidance and training in the areas of merchandising, advertising and promotion, administration, record keeping, accounting, inventory control and other general operating and management procedures.

As an incentive to the Company's employees and those of franchisees, management stresses an internal promotion philosophy. Most district managers and store supervisors previously worked as store managers. At the senior management level, one of the Company's executive officers has been employed by the Company for more than twenty-five years, one has been employed for more than twenty-nine years and one has been employed for more than thirty-three years.

In addition to those three executive officers, the Company currently has a Senior Vice President, a Vice President and Chief Financial Officer, and Vice Presidents of Real

Estate-Store Development, Store Operations, Marketing, Transportation, Advertising, Human Resources, Information Systems and Support Services. The Company also has 40 other employees with managerial responsibilities in the areas of store operations, gasoline marketing, real estate development, construction, transportation, equipment maintenance, merchandising, advertising, Distribution Center operations, payroll, accounting and data processing. The Company believes that such employees are capable of carrying out their responsibilities without substantial supervision by the executive officers.

#### Competition

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The Company's business is highly competitive. Food, including prepared foods, and non-food items similar or identical to those sold by the Company are generally available from various competitors in the communities served by Casey's General Stores. Management believes that its stores located in small towns compete principally with local convenience stores, grocery stores and similar retail outlets and, to a lesser extent, with prepared food outlets or restaurants and expanded gasoline stations offering a more limited selection of grocery and food items for sale. Stores located in more heavily populated communities may compete with local and national grocery and drug store chains, expanded gasoline stations, supermarkets, discount food stores and traditional convenience stores. Convenience store chains competing in the larger towns served by Casey's General Stores include 7-Eleven, Kwik Shops, and regional chains. Some of the Company's competitors have greater financial and other resources than the Company.

Gasoline sales, in particular, are intensely competitive. The Company competes with both independent and national brand gasoline stations, some of which may have access to more favorable arrangements for gasoline supply than do the Company or the firms that supply its stores. Management believes that the most direct competition for gasoline sales comes from other self-service installations in the vicinity of individual store locations, some of whom regularly offer non-cash discounts on self-service gasoline purchases such as a "discounted" car wash or "mini-service." Company Stores generally do not offer such discounts. In addition, management believes that Company Stores compete for gasoline customers who regularly travel outside of their relatively smaller community for shopping or employment purposes, and who therefore are able to purchase gasoline while in nearby larger communities where retail gasoline prices generally are lower. For this reason, the Company attempts to offer gasoline for sale at prices comparable to those prevailing in nearby larger communities.

The Company believes that the competitiveness of Casey's General Stores is based on price (particularly in the case of gasoline sales) as well as on a combination of store location, extended hours, a wide selection of name brand products, self-service gasoline facilities and prompt check-out service. The Company also believes it is important to its business to maintain a bright, clean store and to offer quality products for sale.

#### Service Marks

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The name "Casey's General Store" and the service mark consisting of the Casey's design logo (with the words "Casey's General Store") are registered service marks of Casey's under federal law. Management believes that these service marks are of material importance in promoting and advertising the Company's business.

#### Government Regulation

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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 overflow/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 some with double-wall construction, over-fill protection and electronic tank monitoring, and the Company has an active inspection and renovation program with respect to its older USTs. The Company currently has 2,438 USTs of which 2,094 are fiberglass and 344 are steel. Management of the Company currently believes that substantially all capital expenditures for electronic monitoring, cathodic protection and overflow/spill protection to comply with the existing UST regulations has been completed. Additional regulations, or amendments to the existing UST regulations, could result in future expenditures.

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, 2001 and 2000, the Company spent approximately \$944,000 and \$447,000, respectively, for assessments and remediation. Substantially all of these expenditures have been submitted for reimbursement from state-sponsored trust fund programs, and, as of June 30, 2001, approximately \$5,200,000 has been received from such programs. Such amounts are typically subject to statutory provisions requiring repayment of the reimbursed funds for noncompliance with upgrade provisions or other applicable laws.

The Company has accrued a liability at April 30, 2001, of approximately \$200,000 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.

The Federal Trade Commission and some states have adopted laws regulating franchise operations. Existing laws generally require certain disclosures and/or registration in connection with the sale of the franchises, and regulate certain aspects of the relationship with franchisees, such as rights of termination, renewal and transfer. Management does not believe that the existing state registration and disclosure requirements, or the federal disclosure requirements, have a material effect on the Company's operations.

During the 1992 legislative session, the Iowa General Assembly enacted legislation relating to franchise agreements and their enforcement and establishing certain duties and limitations on franchisors. The legislation, currently set forth in Chapter 523H, Code of Iowa, 2001, as amended ("Chapter 523H"), became effective on July 1, 1992, and purports to apply to all new or existing franchises that are operated in the State of Iowa after the effective date, including those of Casey's. The legislation contains, among other things, provisions regarding the transfer of franchises, the termination or nonrenewal of franchises, and the encroachment on existing franchises. Subsequent judicial rulings in cases brought by other Iowa franchisors have held, however, that Chapter 523H does not apply to any franchises entered into prior to its July 1, 1992 effective date.

As of April 30, 2001, Casey's was a party to 51 franchise agreements entered into with respect to Franchised Stores in the State of Iowa. Of that number, only two of the franchise agreements were entered into following the effective date of Chapter 523H (the "Covered Franchises"); the remainder were all entered into prior to July 1, 1992. Certain provisions of the Covered Franchises conflict with the provisions of Chapter 523H. As such, certain contractual provisions of the Covered Franchises, including those relating to transfer, termination or non-renewal and encroachment, may not be valid or enforceable under Chapter 523H.

Chapter 523H was amended during the 1995 and 2000 legislative sessions, but several significant ambiguities and concerns remain. As a result, Casey's has determined not to grant any new Iowa franchises until further amending legislation is enacted or other favorable court rulings are rendered. Management does not expect Chapter 523H to have a material effect on the Company's business.

ITEM 2. PROPERTIES

The Company owns and has consolidated its Corporate Headquarters and Distribution Center operations on a 36-acre site in Ankeny, Iowa. This facility consists of approximately 255,000 square feet, including a central Corporate Headquarters office building, Distribution Center and vehicle service/maintenance center. The facility was completed in February 1990 and placed in full service at that time.

On April 30, 2001, Casey's owned the land at 1,135 locations and the buildings at 1,149 locations, and leased the land at 56 locations and the buildings at 42 locations. Most of the leases provide for the payment of a fixed rent, plus property taxes and insurance and maintenance costs. Generally, the leases are for terms of 10 to 20 years, with options to renew for additional periods or options to purchase the leased premises at the end of the lease period.

ITEM 3. LEGAL PROCEEDINGS

The Company from time to time is a party to legal proceedings, claims and demands arising from the conduct of its business operations, including those relating to personal injury, property damage and employment or personnel matters, environmental remediation or contamination, disputes under franchise agreements and claims by state and federal regulatory authorities relating to the sale of products pursuant to state or federal licenses or permits. Management does not believe that the potential liability of the Company with respect to such proceedings pending as of the date of this Form 10-K is material in the aggregate.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

## PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information required in response to this Item is incorporated herein by reference from the section entitled "Common Stock Market Prices" set forth on page 32 of the Company's Annual Report to shareholders for the year ended April 30, 2001.

The cash dividends declared by the Company during the periods indicated have been as follows:

	Cash Dividend Declared -----
Calendar 1999 -----	
First Quarter	\$ .015
Second Quarter	.015
Third Quarter	.015
Fourth Quarter	.015
	-----
	\$ .060
Calendar 2000 -----	
First Quarter	\$ .015
Second Quarter	.020
Third Quarter	.020
Fourth Quarter	.020
	-----
	\$ .075
Calendar 2001 -----	
First Quarter	\$ .020
Second Quarter	.020

ITEM 6. SELECTED FINANCIAL DATA

The information required in response to this Item is incorporated herein by reference from the section entitled "Selected Financial Data" set forth on page 16 of the Company's Annual Report to shareholders for the year ended April 30, 2001

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required in response to this Item is incorporated herein by reference from pages 17 through 20 of the Company's Annual Report to shareholders for the year ended April 30, 2001.

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 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 factors described in the Cautionary Statement Relating to Forward-Looking Statements included as Exhibit 99 to the Form 10-Q for the fiscal quarter ended January 31, 1997.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's exposure to market risk for changes in interest rates relates primarily to its investment portfolio and long-term debt obligations.

The Company places its investments with high quality credit issuers and, by policy, limits the amount of credit exposure to any one issuer. As stated in its policy, the Company's first priority is to reduce the risk of principal loss. Consequently, the Company seeks to preserve its invested funds by limiting default risk, market risk and reinvestment risk. The Company mitigates default risk by investing in only high quality

credit securities that it believes to be low risk and by positioning its 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.

The Company believes that an immediate 100 basis point move in interest rates affecting the Company's floating and fixed rate financial instruments as of April 30, 2001, would have an immaterial effect on the Company's pretax earnings. The Company also believes that an immediate 100 basis point move in interest rates would have an immaterial effect on the fair value of the Company's financial instruments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required in response to this Item is incorporated herein by reference from pages 21 through 31 of the Company's Annual Report to shareholders for the year ended April 30, 2001.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

That portion of the Company's definitive Proxy Statement appearing under the caption "Election of Directors," to be filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2001 and to be used in connection with the Company's Annual Meeting of shareholders to be held on September 21, 2001, is hereby incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

That portion of the Company's definitive Proxy Statement appearing under the caption "Executive Compensation," to be filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2001 and to be used in connection with the Company's Annual Meeting of shareholders to be held on September 21, 2001, is hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

That portion of the Company's definitive Proxy Statement appearing under the captions "Shares Outstanding" and "Voting Procedures," to be filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2001 and to be used in connection with the Company's Annual Meeting of shareholders to be held on September 21, 2001, is hereby incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

That portion of the Company's definitive Proxy Statement appearing under the caption "Other Information Relating to Directors and Executive Officers," to be filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2001 and to be used in connection with the Company's Annual Meeting of shareholders to be held on September 21, 2001, is hereby incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Documents Filed  
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The documents listed below are filed as a part of this Report on Form 10-K405 and are incorporated herein by reference:

- (1) The following consolidated financial statements, shown on pages 21 through 31 of the Company's Annual Report to shareholders for the year ended April 30, 2001:

Consolidated Balance Sheets, April 30, 2001 and 2000  
Consolidated Statements of Income, Three Years Ended April 30, 2001  
Consolidated Statements of Shareholders' Equity, Three Years  
Ended April 30, 2001  
Consolidated Statements of Cash Flows,  
Three Years Ended April 30, 2001  
Notes to Consolidated Financial Statements  
Independent Auditors' Report

- (2) The management contracts or compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K405 pursuant to Item 14(c), consisting of the following:

Exhibit Number -----	Document -----
10.4(b)	Sixth Amended and Restated Casey's General Stores, Inc. Employees' Stock Ownership Plan and Trust Agreement (v)
10.19	Casey's General Stores, Inc. 1991 Incentive Stock Option Plan (j) and amendment thereto (o)
10.21(a)	Amended and Restated Employment Agreement with Donald F. Lamberti (z) and First Amendment thereto (aa)
10.22(a)	Amended and Restated Employment Agreement with Ronald M. Lamb (z) and First Amendment thereto (aa)
10.24(a)	Amended and Restated Employment Agreement with John G. Harmon (z) and First Amendment thereto

10.30	Non-Qualified Supplemental Executive Retirement Plan (z)
10.31	Non-Qualified Supplemental Executive Retirement Plan Trust Agreement with UMB Bank, n.a. (z)
10.32	Severance Agreement with Douglas K. Shull (bb)
10.33	Casey's General Stores, Inc. 2000 Stock Option Plan

- 
- (j) Incorporated by reference from the Registration Statement on Form S-8 (33-42907) filed September 23, 1991.
  - (l) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1992.
  - (o) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1994.
  - (t) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 1994.
  - (v) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 1995.
  - (w) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1997.
  - (z) Incorporated by reference from the Current Report on Form 8-K filed November 10, 1997.
  - (aa) Incorporated by reference from the Current Report on Form 8-K filed April 12, 1998.

(bb) Incorporated by reference from the Current Report on Form 8-K filed July 28, 1998.

(b) Reports on Form 8-K  
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There were no reports on Form 8-K filed during the fiscal quarter ended April 30, 2001.

(c) Exhibits  
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Exhibit Number -----	Document -----
3.1(a)	Restatement of the Restated and Amended Articles of Incorporation (x)
3.2(a)	Restatement of Amended and Restated By-Laws (w) and Amendments thereto (dd), (hh)
4.2	Rights Agreement between Casey's General Stores, Inc. and UMB Bank, n.a., as Rights Agent, relating to Common Share Purchase Rights (e) and amendments thereto (i), (p), (q), (cc), (ee)
4.3	Note Agreement dated as of February 1, 1993 between Casey's General Stores, Inc. and Principal Mutual Life Insurance Company and Nippon Life Insurance Company of America (n) and First Amendment thereto (u)
4.4	Note Agreement dated as of December 1, 1995 between Casey's General Stores, Inc. and Principal Mutual Life Insurance Company (u)
4.5	Note Agreement dated as of December 1, 1997 among the Company and Principal Mutual Life Insurance Company, Nippon Life Insurance Company of America and TMG Life Insurance Company (y)
4.6	Note Agreement dated as of April 15, 1999 among the Company and Principal Life Insurance Company and other purchasers of \$50,000,000 Senior Notes, Series A through Series F (cc)
4.7	Note Purchase Agreement dated as of May 1, 2000 among the Company and the purchasers of \$80,000,000 in principal amount of 7.89% Senior Notes, Series 2000-A, due May 15, 2010 (ff)
9	Voting Trust Agreement (a) and Amendment thereto (d)
10.4(b)	Sixth Amended and Restated Casey's General Stores, Inc. Employees' Stock Ownership Plan and Trust Agreement (v)
10.6	Lease Agreement between Casey's General Stores, Inc. and Broadway Distributing Company (a)

10.8	Form of Franchise Agreement (a)
10.9	Form of Store Lease Agreement (a)
10.10	Form of Equipment Lease Agreement (a)
10.16	Secured Promissory Note dated November 30, 1989 given to Principal Mutual Life Insurance Company (f)
10.18	Commercial Note with Norwest Bank Iowa, N.A.(k)
10.19	Casey's General Stores, Inc. 1991 Incentive Stock Option Plan (j) and amendment thereto (o)
10.21(a)	Amended and Restated Employment Agreement with Donald F. Lamberti (z) and First Amendment thereto (aa)
10.22(a)	Amended and Restated Employment Agreement with Ronald M. Lamb (z) and First Amendment thereto (aa)
10.24(a)	Amended and Restated Employment Agreement with John G. Harmon (z) and First Amendment thereto
10.27	Non-Employee Directors' Stock Option Plan (s)
10.28	Term Note and Master Note with UMB Bank, n.a. (dd)
10.29	Form of "change of control" Employment Agreement (w)
10.30	Non-Qualified Supplemental Executive Retirement Plan (z)
10.31	Non-Qualified Supplemental Executive Retirement Plan Trust Agreement with UMB Bank, n.a. (z)
10.32	Severance Agreement with Douglas K. Shull (bb)
10.33	Casey's General Stores, Inc. 2000 Stock Option Plan
11	Statement regarding computation of earnings per share (included in Exhibit 13)
13	Consolidated Financial Statements from 2001 Annual Report
21	Subsidiaries of Casey's General Stores, Inc. (gg)
23.1	Consent of KPMG LLP
99	Cautionary Statement Relating to Forward-Looking Statements (w)

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(a) Incorporated herein by reference from the Registration Statement on Form S-1 (2-82651) filed August 31, 1983.

(b) Reserved.

(c) Reserved.

- (d) Incorporated herein by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1988 (0-12788).
- (e) Incorporated herein by reference from the Registration Statement on Form 8-A filed June 19, 1989 (0-12788).
- (f) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 1989.
- (g) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 1989.
- (h) Reserved.
- (i) Incorporated by reference from the Form 8 (Amendment No. 1 to the Registration Statement on Form 8-A filed June 19, 1989) filed September 10, 1990.
- (j) Incorporated by reference from the Registration Statement on Form S-8 (33-42907) filed September 23, 1991.
- (k) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 1991.
- (l) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1992.
- (m) Reserved.
- (n) Incorporated by reference from the Current Report on Form 8-K filed February 18, 1993.
- (o) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1994.
- (p) Incorporated by reference from the Form 8-A/A (Amendment No. 3 to the Registration Statement on Form 8-A filed June 19, 1989) filed March 30, 1994.
- (q) Incorporated by reference from the Form 8-A12G/A (Amendment No. 2 to the Registration Statement on Form 8-A filed June 19, 1989) filed July 29, 1994.

- (r) Reserved.
- (s) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 1994.
- (t) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 1994.
- (u) Incorporated by reference from the Current Report on Form 8-K filed January 11, 1996.
- (v) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 1995.
- (w) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1997.
- (x) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 1996.
- (y) Incorporated by reference from the Current Report on Form 8-K filed January 7, 1998.
- (z) Incorporated by reference from the Current Report on Form 8-K filed November 10, 1997.
- (aa) Incorporated by reference from the Current Report on Form 8-K filed April 2, 1998.
- (bb) Incorporated by reference from the Current Report on Form 8-K filed July 28, 1998.
- (cc) Incorporated by reference from the Current Report on Form 8-K filed May 10, 1999.
- (dd) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 1997.

- (ee) Incorporated by reference from the Current Report on Form 8-K filed September 27, 1999.
- (ff) Incorporated by reference from the Current Report on Form 8-K filed May 23, 2000.
- (gg) Incorporated by reference from the Annual Report on Form 10-K405 for the fiscal year ended April 30, 2000.
- (hh) Incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.  
(Registrant)

Date: July 24, 2001

By: /s/ Ronald M. Lamb  
-----  
Ronald M. Lamb,  
Chief Executive Officer  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: July 24, 2001

By: /s/ Ronald M. Lamb  
-----  
Ronald M. Lamb  
Chief Executive Officer, Director

Date: July 24, 2001

By: /s/ Donald F. Lamberti  
-----  
Donald F. Lamberti  
Chairman of the Executive Committee,  
Director

Date: July 24, 2001           By: /s/ John G. Harmon  
-----  
John G. Harmon  
Secretary/Treasurer, Director  
(Principal Financial Officer and  
Principal Accounting Officer)

Date: July 24, 2001           By: /s/ Patricia Clare Sullivan  
-----  
Patricia Clare Sullivan  
Director

Date: July 24, 2001           By: /s/ Kenneth H. Haynie  
-----  
Kenneth H. Haynie  
Director

Date: July 24, 2001           By: /s/ John R. Fitzgibbon  
-----  
John R. Fitzgibbon  
Director

Date: July 24, 2001           By: /s/ Jack P. Taylor  
-----  
Jack P. Taylor  
Director

EXHIBIT INDEX  
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Exhibit No. -----	Description -----	Page -----
10.24(a)	First Amendment to Amended and Restated Employment Agreement with John G. Harmon	
10.33	Casey's General Stores, Inc. 2000 Stock Option Plan	
13	Consolidated Financial Statements from 2001 Annual Report to shareholders	
23.1	Consent of KPMG LLP	

FIRST AMENDMENT TO  
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This First Amendment to Amended and Restated Employment Agreement (the "Amendment") is made and entered into as of the 12th day of June, 2001, by and between Casey's General Stores, Inc., an Iowa corporation (the "Company") and John G. Harmon ("Harmon").

WHEREAS, the Company and Harmon are parties to an Amended and Restated Employment Agreement dated as of October 24, 1997 (the "Original Agreement"), providing for Harmon's employment as Corporate Secretary of the Company under the terms and conditions set forth therein; and

WHEREAS, the Original Agreement provides for Harmon to be employed thereunder until August 1, 2001; and

WHEREAS, the Company and Harmon have agreed to extend the term of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, the parties hereto agrees as follows:

1. Amendment of Section 2 of Original Agreement. Section 2 of the -----  
Original Agreement is hereby amended to read as follows:
  2. Employment and Term. The Company agrees to employ Harmon, and -----  
Harmon agrees to serve the Company, as Corporate Secretary of the Company until August 1, 2004, unless his employment is otherwise terminated as provided herein; provided, however, that in the event of a Change of Control during the foregoing Employment Period, this Agreement shall continue in full force and effect for an additional period of three (3) years following the expiration of the Employment Period (until August 1, 2007).
2. Ratification. Except as set forth herein, the terms and conditions of -----  
the Original Agreement are hereby ratified, confirmed and approved.
3. Effective Date of Amendment. The Amendment provided for herein shall -----  
be deemed effective as of June 12, 2001.

IN WITNESS WHEREOF, the respective parties have caused this Amendment to be executed as of the day and year first above written.

CASEY'S GENERAL STORES, INC.

By: /s/ Ronald M. Lamb

-----  
Ronald M. Lamb, President and Chief  
Executive Officer

ATTEST:

By: /s/ Eli J. Wirtz

-----  
Eli J. Wirtz, Assistant Secretary

/s/ John G. Harmon

-----  
John G. Harmon

2000 STOCK OPTION PLAN

of

CASEY'S GENERAL STORES, INC.

ARTICLE I

PURPOSES

-----

The purpose of this 2000 Stock Option Plan, which shall be known as the "2000 Stock Option Plan of Casey's General Stores, Inc." (the "Plan"), is to promote the interests of Casey's General Stores, Inc., an Iowa corporation (the "Company"), and its shareholders by strengthening its ability to retain officers and key employees in the employ of the Company, or of any subsidiary of the Company, by furnishing additional incentives whereby such present and future officers and key employees may be encouraged to acquire, or to increase their acquisition of, the Company's common stock, thus maintaining their personal interest in the Company's continued success and progress. The Plan provides for the grant of options to purchase shares of Common Stock ("Option" or "Options") in accordance with the terms and conditions set forth below.

Any Option granted under this Plan may be either an incentive stock option (an "ISO") or a non-qualified option (a "NQO"), as determined in the discretion of the Committee. An "ISO" is an Option that is intended to be an "incentive stock option" described in Section 422(b) of the Code and does in fact satisfy the requirements of that section. An "NQO" is an Option that is not intended to be an "incentive stock option" as that term is described in Section 422(b) of the Code, or that fails to satisfy the requirements of that section.

ARTICLE II

DEFINITIONS

-----

In addition to the definitions set forth in Article I hereof, for purposes of this Plan the following terms shall have the following meanings:

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board.

"Common Stock" means unauthorized and unissued shares of the Common Stock, no par value, of the Company.

"Employee" means any key employee of the Company or any subsidiary thereof. Members of the Board who are not full-time salaried officers or employees are not Employees for purposes of this Plan.

"Fair Market Value" means the last reported sales or closing price of the Common Stock, on the date on which it is to be valued hereunder, as reported on the NASDAQ National Market System or other securities exchange.

"Non-Employee Director" shall have the meaning set forth in Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, or any successor definition adopted by the Commission.

"Optionee" means an Employee to whom an Option is granted pursuant to the Plan.

### ARTICLE III

#### ADMINISTRATION

-----

The Plan shall be administered by the Committee, which shall at all times consist of not less than two (2) persons, each of whom shall be a Non-Employee Director. The Committee shall have complete authority to construe and interpret the Plan, to establish, amend and rescind appropriate rules and regulations relating to the Plan, to select persons eligible to participate in the Plan, to grant Options thereunder, to administer the Plan, to make recommendations to the Board and to take all such steps and make all such determinations in connection with the Plan and the Options granted thereunder as it may deem necessary or advisable. All determinations of the Committee shall be by a majority of its members, and its determinations shall be final.

ARTICLE IV

ELIGIBILITY

-----

4.1. All Employees who have demonstrated significant management potential or who have contributed, or are deemed likely to contribute, in a substantial measure to the successful performance of the Company, as determined by the Committee, are eligible to be Optionees under the Plan; provided that such individuals have been Employees at all times during a period beginning on the date on which the Committee grants to such individual an Option and ending on the day three (3) months before the date of exercise of the Option.

4.2. No Employee shall be granted an Option intended to be an ISO if, immediately before the Option is to be granted, the Employee owns, directly or indirectly, more than ten percent (10%) of the Common Stock and other stock of the Company possessing more than ten percent (10%) of the total combined voting power or value of all classes of stock of the Company, or of any subsidiary of the Company; provided, however, that the limitation stated in this Section 4.2 shall not apply if at the time such Option is granted the Option Price is not less than one hundred ten percent (110%) of the Fair Market Value (at the time the Option is granted) of the Common Stock subject to the Option, and such Option by its terms is not exercisable after the expiration of five (5) years from the date such Option is granted.

ARTICLE V

SHARES RESERVED

-----

5.1. There shall be reserved for issuance pursuant to the Plan a total of Five Hundred Thousand (500,000) shares of Common Stock, together with any shares that were available for grant under the Company's 1991 Incentive Stock Option Plan as of June 6, 2000 (estimated to be 752,164 shares) and any shares that, after such date, would have, but for Article XI below, otherwise become available for grant under the terms of such Plan by reason of forfeitures or otherwise. In the event that (i) an Option expires or is terminated unexercised as to any shares covered thereby, or (ii) shares are forfeited for any reason under the Plan, such shares shall thereafter be again available for issuance pursuant to the Plan.

5.2. In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate change, or any distributions to common shareholders other than cash dividends, the Committee shall make such substitution or adjustment, if any, as it deems to be equitable to accomplish fairly the purposes of the Plan and to preserve the intended benefits of the Plan to the Optionees and the Company, as to the number (including the number specified in Section 5.1 above) or kind of shares of Common Stock or other securities issued or reserved for issuance pursuant to the Plan, including the number of outstanding Options and the Option Prices thereof.

ARTICLE VI

GRANT OF OPTIONS

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Options may be granted to Employees in such number and at such times during the term of this Plan (as defined in Article XII hereof) as the Committee shall determine, the Committee taking into account the duties of the respective Employees, their present and potential contributions to the success of the Company, and such other factors as the Committee shall deem relevant in connection with accomplishing the purpose of the Plan. The granting of an Option pursuant to the Plan shall take place when the Committee by resolution, written consent or other appropriate action determines to grant such an Option to a particular Optionee at a particular price. Each Option shall be evidenced by a written agreement to be duly executed and delivered by or on behalf of the Company and the Optionee and containing provisions not inconsistent with the Plan. An Option granted under the Plan may be either an ISO or a NQO.

ARTICLE VII

TERMS AND CONDITIONS OF OPTIONS

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Options granted under this Plan shall be subject to the following terms and conditions:

7.1. Option Price. The Option Price per share with respect to each  
-----  
Option shall be determined by the Committee but shall not be less than 100%  
of the Fair Market Value of the Common Stock on the date the Option is  
granted (the "Option Price").

7.2. Duration of Options. Options shall be exercisable at such time and  
-----  
under such conditions as set forth in the written agreement evidencing such  
Option, but in no event shall any Option be exercisable on or after the tenth  
anniversary of the date on which the Option is granted.

7.3. Exercise of Option. The shares of Common Stock covered by an  
-----  
Option may not be purchased by an Optionee prior to the first anniversary of  
the date on which the Option is granted, or such longer period as the  
Committee may determine in a particular case, but thereafter may be purchased  
at one time or in such installments over the balance of the Option period as  
may be provided in the Option; any shares not purchased on the applicable  
installment date may be purchased thereafter at any time prior to the final  
expiration of the Option. To the extent that the right to purchase shares has  
accrued thereunder, Options may be exercised from time to time by written  
notice of the Company stating the number of shares with respect to which the  
Option is being exercised.

7.4. Payment. Shares of Common Stock purchased under any Option shall,  
-----  
at the time of purchase, be paid for in full. Such payment shall be made in  
cash, by tender of shares of Common Stock owned by the Optionee valued at  
Fair Market Value as of the day of exercise, subject to such limitations on  
the tender of Common Stock as the Committee may impose, or by a combination  
of cash and shares of Common Stock. No shares shall be issued or delivered  
until full payment therefor has been made. A holder of an Option shall have  
none of the rights of a shareholder until the shares of Common Stock are  
issued pursuant to the exercise of an Option. The Committee may provide an  
Optionee with assistance in financing the Option Price and applicable  
withholding taxes, on such terms and conditions as it determines appropriate  
in its sole discretion. The Committee also may permit an Optionee to elect  
to pay the Option Price by irrevocably authorizing a third party to sell  
shares of Common Stock (or a sufficient portion thereof) acquired upon  
exercise of the Option and remit to the Company a sufficient portion of the  
sale proceeds to pay the entire Option Price and any tax withholding  
resulting from such exercise.

7.5. Withholding. In the Committee's discretion, the Optionee may be

-----  
required to pay to the Company the amount of any taxes required to be withheld with respect to shares of Common Stock purchased under any Option or, in lieu thereof, the Company shall have the right to retain (or the Optionee may be offered the opportunity to elect a tender) the number of shares of Common Stock whose Fair Market Value on the date such taxes are required to be withheld equals the amount required to be so withheld.

7.6. Limitation on ISOs. Except as may otherwise be permitted by the

-----  
Code, the aggregate fair market value (determined as of the time an Option is granted) of the Common Stock for which an Option intended to be an ISO is exercisable for the first time by any Optionee during the calendar year (under all such plans of the Company and any affiliated corporation) shall not exceed the sum of One Hundred Thousand Dollars (\$100,000).

7.7. Restrictions on Transfer of Common Stock. The Committee shall

-----  
determine, with respect to each Option, the nature and extent of the restrictions, if any, to be imposed on the shares of Common Stock which may be purchased thereunder including restrictions on the transferability of such shares acquired through the exercise of such Option. Without limiting the generality of the foregoing, the Committee may impose conditions restricting absolutely the transferability of shares acquired through the exercise of Options for such periods as the Committee may determine and, further, that in the event the Optionee's employment by the Company terminates during the period in which such shares are nontransferable, the Optionee shall be required to sell such shares back to the Company at such price as the Committee may specify in the Option.

7.8. Purchase for Investment. The Committee shall have the right to

-----  
require that each Optionee or other person who shall exercise an Option under the Plan, and each person into whose name shares of Common Stock shall be issued, pursuant to the exercise of an Option, jointly with that of any Optionee, represent and agree that any and all shares of Common Stock of the Company pursuant to such Option will be purchased for investment thereof or that such shares will not be sold except in accordance with such restrictions or limitations as may be set forth in the written agreement granting such Option; provided, however, that the foregoing provisions of this subparagraph 7.8 shall be inoperative during any period of time when the Company has obtained all necessary or advisable approvals from any governmental agency and has completed all necessary or advisable registrations or other qualification of shares of Common Stock as to

which Options may from time to time be granted, as contemplated by Article VIII hereof.

7.9. Non-Transferability of Options. During an Optionee's lifetime, the -----  
Option may be exercised only by the Optionee, and Options shall not be transferable, except for exercise by the Optionee's legal representatives or beneficiaries as provided in Section 7.11 hereof.

7.10. Termination of Employment. Upon the termination, including -----  
retirement, of an Optionee's employment, for any reason, other than death or termination for deliberate, willful or gross misconduct, the Option shall be exercisable by the Optionee only as to those shares of Common Stock which were then subject to the exercise of such Option (unless the Committee shall determine in a specific case that particular limitations under the Plan shall not apply), and such Option shall expire unless exercised within three (3) months after the date of such termination. If an Optionee's employment is terminated for deliberate, willful or gross misconduct, as determined by the Company, all rights under the Option shall expire upon receipt by the Optionee of the notice of such termination.

7.11. Death of Optionee. Upon the death of an Optionee, whether during -----  
the period of employment or during the three (3) month period referred to in the first sentence of Section 7.10, hereof, the Option held by the Optionee shall be exercisable only as to those shares of Common Stock which were subject to the exercise of such option at the time of the Optionee's death (unless the Committee shall determine in a specific case that particular limitations under the Plan shall not apply), and such Option shall expire unless exercised by the legal representatives or beneficiaries of the Optionee within twelve (12) months after the date of the Optionee's death.

ARTICLE VIII

REGULATORY APPROVALS AND LISTING  
-----

The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon the exercise of an Option granted under the Plan prior to (i) the obtaining of any approval from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable, (ii) the admission of such shares to listing on any stock exchange on which the Common Stock may then be listed, and (iii) the completion of any registration or other qualification of such shares under any state or

Federal law or rulings or regulations of any governmental body which the Company shall, in its sole discretion, determine to be necessary or advisable.

ARTICLE IX

NO RIGHT TO EMPLOYMENT  
-----

No person shall have any claim or right to be granted an Option, and the grant of an Option shall not be construed as giving an Optionee the right to be retained in the employ of the Company. Further, the Company expressly reserves the right at any time to dismiss an Optionee free from any liability, or from any claim under the Plan, except as provided herein or in any agreement entered into with respect to an Option.

ARTICLE X

CONSTRUCTION OF THE PLAN  
-----

The validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of Iowa, without regard to conflict of law principles.

ARTICLE XI

PRIOR PLAN  
-----

Upon the effectiveness of the Plan, no further grants shall be made under the 1991 Incentive Stock Option Plan of the Company. At the discretion of the Committee and subject to the consent of the Optionees thereunder, any prior grants that were made under such plan shall be covered by the terms and conditions of this Plan.

ARTICLE XII

TERM OF PLAN

-----

No Option shall be granted pursuant to this Plan after May 31, 2010, but Options theretofore granted may extend beyond that date and the terms and conditions of this Plan shall continue to apply thereto and to shares of Common Stock acquired upon exercise thereof.

ARTICLE XIII

TERMINATION OR AMENDMENT OF THE PLAN

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The Board of Directors may at any time terminate the Plan with respect to any shares of the Company not at the time subject to any Option, and may from time to time alter or amend the Plan or any part thereof (including, but without limiting the generality of the foregoing, any amendment deemed necessary to ensure that the Company may obtain any regulatory approval, referred to in clause (i) of Article VIII hereof), provided that no change in any Option theretofore granted may be made which would impair the rights of an Optionee without the consent of such Optionee; and, further, that without the approval of shareholders, no alternation or amendment may be made which would (i) increase the maximum number of shares of the Company subject to the Plan (except as provided in Section 5.2 hereof), (ii) extend the term of the Plan or of Options granted thereunder, (iii) reduce the Option Price at which Options may be granted or (iv) change the class of Employees who may receive Options under the Plan.

ARTICLE XIV

EFFECTIVE DATE OF PLAN

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The Plan shall become effective as of July 26, 2000, subject to ratification by the shareholders of the Company.

IN WITNESS WHEREOF, the Company has caused these presents to be executed by its duly authorized officers this 26th day of July, 2000.

CASEY'S GENERAL STORES, INC.

By /s/ Ronald M. Lamb  
-----  
Ronald M. Lamb, Chief Executive Officer

By /s/ John G. Harmon  
-----  
John G. Harmon, Secretary/Treasurer

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 FINANCIAL INFORMATION  
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Selected Financial Data  
 (In thousands, except per share amounts)

STATEMENT OF INCOME DATA

Years ended April 30,	2001	2000	1999	1998	1997
Net sales	\$ 1,923,712	\$ 1,648,195	\$ 1,251,057	\$ 1,186,885	\$ 1,109,002
Franchise revenue	3,767	5,268	5,433	5,106	5,206
	-----	-----	-----	-----	-----
	1,927,479	1,653,463	1,256,490	1,191,991	1,114,208
Cost of goods sold	\$ 1,560,828	\$ 1,322,830	\$ 961,853	\$ 930,513	\$ 886,349
Operating expenses	257,576	220,356	189,284	171,652	151,774
Depreciation and amortization	41,492	38,208	33,941	30,354	26,883
Interest, net	11,998	9,254	7,034	5,924	5,990
Income before income taxes	55,585	62,815	64,378	53,548	43,212
Provision for income taxes	20,584	23,367	24,141	20,081	16,202
	-----	-----	-----	-----	-----
Net income	\$ 35,001	\$ 39,448	\$ 40,237	\$ 33,467	\$ 27,010
Net income per share--basic	\$ 0.71	\$ 0.76	\$ 0.76	\$ 0.64	\$ 0.51
Weighted average number of common shares outstanding--basic	49,475	51,915	52,665	52,538	52,457
Dividends paid per common share	\$ 0.075	\$ 0.06	\$ 0.06	\$ 0.0575	\$ 0.05

BALANCE SHEET DATA

As of April 30,	2001	2000	1999	1998	1997
Current assets	\$ 106,893	\$ 75,061	\$ 70,207	\$ 52,524	\$ 54,674
Total assets	693,484	623,565	562,860	479,974	427,045
Current liabilities	102,041	140,651	83,819	89,988	73,787
Long-term debt	183,107	112,896	122,513	79,094	79,685
Shareholders' equity	340,476	308,762	301,868	263,374	231,891

Management's Discussion and Analysis of  
Financial Condition and Results of Operations  
(In thousands)

The following tables set forth the Company's net sales and gross profits according to its major revenue categories and average sales and earnings information for corporate and franchise stores.

COMPANY NET SALES AND GROSS PROFITS

Years ended April 30,	2001	2000	1999
Net sales (1)			
Retail sales			
Inside	\$ 675,446	\$ 618,454	\$ 507,422
Gasoline	1,163,026	934,456	662,124
	-----	-----	-----
	\$ 1,838,472	\$ 1,552,910	\$ 1,169,546
Wholesale sales			
Inside	\$ 38,333	\$ 48,961	\$ 44,731
Gasoline	32,593	30,525	23,080
	-----	-----	-----
	\$ 70,926	\$ 79,486	\$ 67,811
Gross profits (2)			
Retail sales			
Inside	\$ 261,561	\$ 233,035	\$ 203,843
Gasoline	88,476	77,080	72,925
	-----	-----	-----
	\$ 350,037	\$ 310,115	\$ 276,768
Wholesale sales			
Inside	\$ 1,261	\$ 2,566	\$ 1,563
Gasoline	1,065	835	766
	-----	-----	-----
	\$ 2,326	\$ 3,401	\$ 2,329

SAME-STORE COMPARISONS (3)

Years ended April 30,	2001	2000	1999
Corporate stores			
Average retail sales	\$ 1,590	\$ 1,457	\$ 1,198
Average retail inside sales	584	583	521
Average gross profit on inside items	218	212	200
Average retail sales of gasoline	1,007	874	677
Average gross profit on gasoline (4)	81	74	75
Average operating income (5)	88	91	93
Average number of gallons sold	692	734	707
Franchise stores			
Average franchise revenue (6)	\$ 35	\$ 35	\$ 34

(1) Net sales exclude franchise revenue and charges to franchisees for certain maintenance, transportation, and construction services provided by the Company.

(2) Gross profits represent net sales less costs of goods sold.

(3) Same-store comparisons include only those stores that had been in operation for at least one full year on April 30 of the fiscal year indicated.

(4) Retail gasoline profit margins have a substantial impact on the Company's net income. Profit margins on gasoline sales can be adversely affected by factors beyond the control of the Company, including oversupply in the retail gasoline market, uncertainty or volatility in the wholesale gasoline market, and price competition from other gasoline marketers. Any substantial decrease in profit margins on retail gasoline sales or the number of gallons sold could have a material adverse effect on the Company's earnings.

(5) Average operating income represents retail sales less cost of goods sold, including cost of merchandise, financing costs, and operating expenses attributable to a particular store; it excludes federal and state income taxes, operating expenses of the Company not attributable to a particular store, and payments by the Company to its benefit plans.

(6) Average franchise revenue includes a royalty fee equal to 3% of gross receipts derived from store sales of nongasoline items, a royalty fee of \$0.018 per gallon on gasoline sales, and sign and facade rental fees.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

Casey's derives its revenue from retail sales of food (including freshly prepared foods such as pizza, doughnuts, and sandwiches), beverages, and nonfood products (including health and beauty aids, tobacco products, automotive products, and gasoline) by corporate stores and wholesale sales of certain merchandise and gasoline to franchise stores. The Company also generates revenues from continuing monthly royalties based on sales by franchise stores; sign and facade rental fees; and the provision of certain maintenance, transportation, and construction services to the Company's franchisees. A typical store generally is not profitable for its first year of operation due to start-up costs and usually will attain representative levels of sales and profits during its second or third year of operation.

### FISCAL 2001 COMPARED WITH FISCAL 2000

Net sales for fiscal 2001 increased 16.7% to \$1,923,712, primarily due to a 21.9% increase in gas prices and the net addition of 72 corporate stores. Retail gasoline sales for the fiscal year were \$1,163,026, an increase of 24.5%, and gallons sold increased 2.1% to 800 million.

Cost of goods sold as a percentage of sales was 81.1% for fiscal 2001 compared with 80.3% for the prior year. The increase was caused by a reduction in gas margin to 7.6% of sales in fiscal 2001 from 8.2% in fiscal 2000. It was partially offset, however, by the increase in the grocery & other merchandise margin to 34.1% from 32.9%, primarily attributed to retail price increases on selected products.

Operating expenses increased 16.9% in fiscal 2001, driven by higher wages and benefits, increased bank fees resulting from customers' greater use of credit cards, increased utility costs due to the severe winter weather, and the increase in the number of corporate stores.

Net income decreased slightly to \$35,001 in fiscal 2001 from \$39,448 in fiscal 2000. The decrease resulted from the combination of lower gasoline margins and higher expenses.

Current liabilities decreased \$38,610 during fiscal 2001 primarily because notes payable of \$45,950 were repaid from the proceeds of long-term debt at the beginning of the fiscal year.

### FISCAL 2000 COMPARED WITH FISCAL 1999

Net sales for fiscal 2000 increased 31.7% to \$1,648,195, primarily due to a 24.8% increase in gas prices, a 49.8% increase in cigarette sales, and the net addition of 97 corporate stores. Retail gasoline sales for the fiscal year were \$934,456, an increase of 41.1%, and gallons sold increased 13.1% to 783 million.

Cost of goods sold as a percentage of sales was 80.3% for fiscal 2000 compared with 76.9% for the prior year. The increase was caused by a reduction in gas margin to 8.2% of sales in fiscal 2000 from 11.0% in fiscal 1999. It was also affected by the reduction in the grocery & other merchandise margin to 32.9% from 35.7%, primarily attributed to lower cigarette margins caused by higher costs.

Operating expenses increased 16.4% in fiscal 2000, driven by higher wages and benefits, by increased bank fees resulting from customers' greater use of credit cards, and by the increase in the number of corporate stores. Higher sales reduced the operating expense ratio to 13.4% of sales in fiscal 2000 from 15.1% the prior year.

Net income decreased slightly to \$39,448 in fiscal 2000 from \$40,237 in fiscal 1999. The decrease was the result of the combination of lower gasoline and cigarette margins and higher expenses.

Shareholders' equity increased 2.3%, constrained by the repurchase of 3.3 million shares of common stock during the year at an average cost of \$9.08 per share.

Current liabilities increased \$56,832 during fiscal 2000, primarily due to the increase in corporate stores and the stock repurchase. Notes payable of \$45,950 were repaid from the proceeds of long-term debt issued after the close of the fiscal year.

## LIQUIDITY AND CAPITAL RESOURCES

Due to the nature of the Company's business, most sales are for cash; cash from operations is the Company's primary source of liquidity. The Company finances its inventory purchases primarily from normal trade credit aided by relatively rapid inventory turnover. This turnover allows the Company to conduct its operations without large amounts of cash and working capital. As of April 30, 2001, the Company's ratio of current assets to current liabilities was 1.05 to 1. Management believes the Company's current \$60,000 bank lines of credit (aggregate amount) together with cash flow from operations will be sufficient to satisfy the working capital needs of its business.

Net cash provided by operations decreased 28.4% to \$77,996 during the year ended April 30, 2001, primarily as a result of an increase in inventories and a smaller increase in accounts payable. Cash flows used in investing decreased during fiscal 2001, primarily because of the smaller purchase of property and equipment. During fiscal 2001 the Company expended approximately \$82,000 for property and equipment, primarily for the construction and remodeling of corporate stores. The Company anticipates expending approximately \$90,000 for capital expenditures in fiscal 2002, primarily from funds generated by operations, existing cash, and short-term investments.

As of April 30, 2001, the Company had long-term debt of \$183,107 consisting of \$8,250 of 7.70% senior notes, \$30,000 of 7.38% senior notes, \$7,200 of 6.55% senior notes, \$50,000 of senior notes with interest rates ranging from 6.18% to 7.23%, \$80,000 of 7.89% senior notes, \$5,544 of mortgage notes payable, and \$2,113 of capital lease obligations.

Interest on the 7.70% senior notes is payable on the 15th day of each month. Principal of the 7.70% senior notes matures in 40 quarterly installments beginning March 15, 1995. The Company may prepay the 7.70% senior notes in whole or in part at any time in an amount not less than \$1,000 or integral multiples of \$100 in excess thereof at a redemption price calculated in accordance with the Note Agreement dated February 1, 1993 between the Company and the purchaser of the 7.70% senior notes.

Interest on the 7.38% senior notes is payable on the 28th day of each June and December. Principal of the 7.38% senior notes matures in 21 semi-annual installments beginning December 28, 2010. The Company may prepay the 7.38% senior notes in whole or in part at any time in an amount of not less than \$1,000 or integral multiples of \$100 in excess thereof at a redemption price calculated in accordance with the Note Agreement dated December 1, 1995 between the Company and the purchaser of the 7.38% senior notes.

Interest on the 6.55% senior notes is payable on the 18th day of each March, June, September, and December. Principal of the 6.55% senior notes matures in 5 annual installments beginning December 18, 1999. The Company may prepay the 6.55% senior notes in whole or in part at any time in an amount of not less than \$1,000 or integral multiples of \$100 in excess thereof at a redemption price calculated in accordance with the Note Agreement dated December 1, 1997 between the Company and the purchaser of the 6.55% senior notes.

Interest on the 6.18% to 7.23% senior notes is payable on the 23rd day of each April and October. Principal of the 6.18% to 7.23% senior notes matures in various installments beginning April 23, 2004. The Company may prepay the 6.18% to 7.23% senior notes in whole or in part at any time in an amount of not less than \$1,000 or integral multiples of \$100 in excess thereof at a redemption price calculated in accordance with the Note Agreement dated April 15, 1999 between the Company and the purchasers of the 6.18% to 7.23% senior notes.

Interest on the 7.89% senior notes is payable on the 15th day of each May and November. Principal of the 7.89% senior notes matures in 7 annual installments beginning May 15, 2004. The Company may prepay the 7.89% senior notes in whole or in part at any time in an amount of not less than \$1,000 or integral multiples of \$100 in excess thereof at a redemption price calculated in accordance with the Note Agreement dated May 1, 2000 between the Company and the purchasers of the 7.89% senior notes.

To date, the Company has funded capital expenditures primarily from the proceeds of the sale of common stock, issuance of the convertible subordinated debentures (converted into shares of common stock in 1994), the senior notes, and 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 corporate stores are expected to be met from cash generated by operations, existing cash, investments, and additional long-term debt or other securities as circumstances may dictate. Future capital needs are not expected to adversely affect liquidity.

## Environmental Compliance--

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 overflow/spill protection systems; (ii) upgrade of existing tanks; (iii) response to a detected leak; (iv) prevention of leakage through tank closings; and (v) required gasoline inventory recordkeeping. Since 1984, new corporate stores have been equipped with noncorroding fiberglass USTs, including many with double-wall construction, overflow protection, and electronic tank monitoring. The Company has an active inspection and renovation program for its older USTs. Of the Company's 2,438 USTs, 2,094 are fiberglass and 344 are steel. Management currently believes that substantially all capital expenditures for electronic monitoring, cathodic protection, and overflow/spill protection to comply with the existing UST regulations have been completed.

Additional regulations or amendments to the existing UST regulations could result in future expenditures.

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 the years ended April 30, 2001 and 2000, the Company spent approximately \$944 and \$447, respectively, for assessments and remediation. Substantially all of these expenditures have been submitted for reimbursement from state-sponsored trust fund programs. As of June 30, 2001, a cumulative total of approximately \$5,200 has been received from such programs. Reimbursements are typically subject to statutory provisions requiring repayment of such funds for noncompliance with upgrade provisions or other applicable laws. The Company accrued a liability at April 30, 2001 of approximately \$200 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.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

**Seasonality of Sales**--Sales at Casey's General Stores, Inc. historically have been strongest during the Company's first and second fiscal quarters and have become progressively weaker during its third and fourth quarters. In the warmer months of the year, which comprise the Company's first two fiscal quarters, customers tend to purchase greater quantities of gasoline and certain convenience items such as beer, soft drinks, and ice. Difficult weather conditions in any quarter, however, may affect corporate store sales in specific regions and may have an adverse impact on net income for that period.

**Inflation**--The Company has generally been able to pass along inflationary increases in its costs through increased sales prices of products sold, except in those instances where doing so would have had a material adverse impact on the Company's ability to compete. Management believes inflation has not had a material impact on the operating results of the Company.

**Minimum Wage Legislation**--Congressional action to increase the federal minimum wage had an impact on the Company's operating results to the extent the increase in labor expenses could not be passed along to customers through price increases. Although the Company has in the past been able to, and will continue to attempt to, pass along increases in operating costs through price increases, there can be no assurance that increases in labor costs can be reflected in prices or that price increases will not diminish customer spending.

**Recent Accounting Pronouncements**--In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which was later amended by SFAS No. 137 and SFAS No. 138. This statement as amended establishes accounting and reporting standards for derivative instruments and all hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities at their fair values. Accounting for changes in the fair value of a derivative depends on its designation and effectiveness. For derivatives that qualify as effective hedges, the change in fair value will have no impact on earnings until the hedged item affects earnings. For derivatives that are not designated as hedging instruments or for the ineffective portion of a hedging instrument, the change in fair value will affect current period earnings. The Company implemented the statements on May 1, 2000, and there was no material impact on the Company's financial statements as a result of the implementation.

**Forward-looking Statements**--This annual report contains forward-looking statements that anticipate results based on management's plans that are subject to uncertainty. Forward-looking statements do not relate strictly to historical or current facts and may be identified by the use of words like plans, will, anticipates, estimates and other words of similar meaning. These statements may address, among other things, the Company's strategies for growth, product development, market position, expenditures, and financial results.

Forward-looking statements are based on current expectations of future events. The Company cannot guarantee that any forward-looking statements will be accurate, although the Company believes it has been reasonable in its expectations and assumptions. Investors should realize if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from projections. The Company assumes no obligation to update any forward-looking statements as a result of future events or developments.

The Company's annual report on Form 10-K for the year ended April 30, 2001 contains as an exhibit a discussion of various factors that could cause actual results to differ from expectations. The Company notes these factors as permitted by the Private Securities Litigation Reform Act of 1995. Investors are cautioned not to place undue reliance on any forward-looking statements. Investors also should understand it is not possible to predict or identify all such factors and should not consider the exhibit to be a complete statement of all potential risks and uncertainties.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders Casey's General Stores, Inc.:

We have audited the accompanying consolidated balance sheets of Casey's General Stores, Inc. and subsidiaries as of April 30, 2001 and 2000 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the years in the three-year period ended April 30, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Casey's General Stores, Inc. and subsidiaries as of April 30, 2001 and 2000 and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

KPMG LLP  
Des Moines, Iowa  
June 12, 2001

Casey's General Stores, Inc. and Subsidiaries  
Consolidated Balance Sheets  
(In thousands)

April 30,	2001	2000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 22,958	\$ 15,917
Short-term investments	18,225	7,925
Receivables	5,190	4,111
Inventories (Note 1)	51,772	41,363
Prepaid expenses (Note 5)	5,461	8,748
Income taxes receivable	3,287	--
	-----	-----
<b>Total current assets</b>	<b>106,893</b>	<b>75,061</b>
Other assets, net of amortization	1,297	1,513
Property and equipment, at cost (Note 2)		
Land	135,819	107,261
Buildings and leasehold improvements	335,308	315,956
Machinery and equipment	387,766	357,829
Leasehold interest in property and equipment (Note 6)	10,884	11,803
	-----	-----
	869,777	792,849
Less accumulated depreciation and amortization	284,483	245,858
	-----	-----
<b>Net property and equipment</b>	<b>585,294</b>	<b>546,991</b>
	-----	-----
<b>Total assets</b>	<b>\$ 693,484</b>	<b>\$ 623,565</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Notes payable to banks (Note 2)	\$ --	\$ 45,950
Current maturities of long-term debt (Note 2)	9,482	9,703
Accounts payable	67,735	60,959
Accrued expenses		
Property taxes	6,802	6,558
Other (Note 9)	18,022	15,390
Income taxes payable	--	2,091
	-----	-----
<b>Total current liabilities</b>	<b>102,041</b>	<b>140,651</b>
Long-term debt, net of current maturities (Note 2)	183,107	112,896
Deferred income taxes (Note 5)	63,650	57,650
Deferred compensation (Note 7)	4,210	3,606
	-----	-----
<b>Total liabilities</b>	<b>353,008</b>	<b>314,803</b>
<b>Shareholders' equity (Note 3)</b>		
Preferred stock, no par value, none issued	--	--
Common stock, no par value, 49,494,762 and 49,450,762 shares issued and outstanding at April 30, 2001 and 2000, respectively	38,353	37,930
Retained earnings	302,123	270,832
	-----	-----
<b>Total shareholders' equity</b>	<b>340,476</b>	<b>308,762</b>
	-----	-----

Total liabilities and shareholder's equity

\$ 693,484

\$ 623,565

Commitments and contingencies (Notes 6, 8, and 9)

See accompanying Notes to Consolidated Financial Statements.

Consolidated  
Statements of Income  
(In thousands except per share amount)

Years ended April 30,	2001	2000	1999
Net sales	\$ 1,923,712	\$ 1,648,195	\$ 1,251,057
Franchise revenue	3,767	5,268	5,433
	-----	-----	-----
	1,927,479	1,653,463	1,256,490
Cost of goods sold	1,560,828	1,322,830	961,853
Operating expenses	257,576	220,356	189,284
Depreciation and amortization	41,492	38,208	33,941
Interest, net (Note 2)	11,998	9,254	7,034
	-----	-----	-----
	1,871,894	1,590,648	1,192,112
Income before income taxes	55,585	62,815	64,378
Provision for income taxes (Note 5)	20,584	23,367	24,141
	-----	-----	-----
Net income	\$ 35,001	\$ 39,448	\$ 40,237
Earnings per common share (Notes 3 and 4)			
Basic	\$ 0.71	\$ 0.76	\$ 0.76
Diluted	\$ 0.71	\$ 0.76	\$ 0.76

Consolidated  
Statements of Shareholders' Equity  
(In thousands, except share and per share amounts)

	Common stock	Retained earnings	Total
Balance at April 30, 1998	\$ 65,922	\$ 197,452	\$ 263,374
Net income	--	40,237	40,237
Payment of dividends (6 cents per share)	--	(3,159)	(3,159)
Proceeds from exercise of stock options (111,500 shares)	1,091	--	1,091
Tax benefits related to nonqualified stock options (Note 3)	325	--	325
Balance at April 30, 1999	67,338	234,530	301,868
Net income	--	39,448	39,448
Payment of dividends (6 cents per share)	--	(3,146)	(3,146)
Repurchase of common stock (3,301,200 shares)	(29,970)	--	(29,970)
Proceeds from exercise of stock options (40,450 shares)	384	--	384
Tax benefits related to nonqualified stock options (Note 3)	178	--	178
Balance at April 30, 2000	37,930	270,832	308,762
Net income	--	35,001	35,001
Payment of dividends (7.5 cents per share)	--	(3,710)	(3,710)
Proceeds from exercise of stock options (44,000 shares)	374	--	374
Tax benefits related to nonqualified stock options (Note 3)	49	--	49
Balance at April 30, 2001	\$ 38,353	\$ 302,123	\$ 340,476

See accompanying Notes to Consolidated Financial Statements.

Consolidated  
Statements of Cash Flows  
(In thousands)

Years ended April 30,	2001	2000	1999
Cash flows from operations			
Net income	\$ 35,001	\$ 39,448	\$ 40,237
Adjustments to reconcile net income to net cash provided by operations			
Depreciation and amortization	41,492	38,208	33,941
Deferred income taxes	6,000	6,000	6,511
Changes in assets and liabilities			
Receivables	(1,079)	(1,289)	(285)
Inventories	(10,409)	5,841	(8,004)
Prepaid expenses	284	(299)	(9)
Accounts payable	6,776	16,732	482
Accrued expenses	2,876	1,565	635
Income taxes	(5,329)	(188)	(1,598)
Other, net	2,384	2,964	2,538
	-----	-----	-----
Net cash provided by operations	77,996	108,982	74,448
Cash flows from investing			
Purchase of property and equipment	(81,556)	(102,836)	(97,703)
Purchase of investments	(34,190)	(2,746)	(15,539)
Maturities of investments	24,087	10,230	7,699
	-----	-----	-----
Net cash used in investing activities	(91,659)	(95,352)	(105,543)
Cash flows from financing			
Proceeds from long-term debt	80,000	--	50,000
Payments of long-term debt	(10,010)	(9,466)	(5,724)
Net activity of short-term debt	(45,950)	38,550	(9,200)
Repurchase of common stock	--	(29,970)	--
Proceeds from exercise of stock options	374	384	1,091
Payments of cash dividends	(3,710)	(3,146)	(3,159)
	-----	-----	-----
Net cash provided by (used in) financing activities	20,704	(3,648)	33,008
	-----	-----	-----
Net increase in cash and cash equivalents	7,041	9,982	1,913
Cash and cash equivalents at beginning of year	15,917	5,935	4,022
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 22,958	\$ 15,917	\$ 5,935

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

Years ended April 30,	2001	2000	1999
Cash paid during the year for			
Interest, net of amount capitalized	\$ 11,982	\$ 9,980	\$ 7,542
Income taxes	19,388	17,556	19,093
Noncash investing and financing activities			
Property and equipment acquired through capital lease obligations and an installment purchase	--	200	2,980
Increase in common stock and decrease in income taxes payable due to tax benefits related to nonqualified stock options (Note 3)	49	178	325

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated  
Financial Statements  
(in thousands, except share and per share amounts)

1 SIGNIFICANT ACCOUNTING POLICIES

Operations--Casey's General Stores, Inc. and Subsidiaries (the Company) operates 1,286 convenience stores in 9 midwestern states. At April 30, 2001, the Company owned or leased 1,191 of these stores and 95 stores were owned or leased by franchisees. The stores are located primarily in smaller communities, a majority with populations of less than 5,000. Sales in 2001 were distributed as follows: 62% gasoline, 31% grocery & other merchandise, and 7% prepared food & fountain. The Company's materials are readily available, and the Company is not dependent on a single supplier or only a few suppliers.

Principles of consolidation--The consolidated financial statements include the financial statements of Casey's General Stores, Inc. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash equivalents--Cash equivalents consist of money market funds. The Company considers all highly liquid investments with a maturity at purchase of 3 months or less to be cash equivalents.

Investments--Investments consist of treasury notes and investment-grade bonds. The investments are stated at cost plus accrued interest, which approximates market.

Inventories--Inventories, which consist of merchandise and gasoline, are stated at the lower of cost or market; in-store inventory is determined by the retail method. Cost is determined using the last-in, first-out (LIFO) method. Such inventory value was approximately \$20,950 and \$14,750 below replacement cost as of April 30, 2001 and 2000, respectively.

Depreciation and amortization--Depreciation of property and equipment and amortization of capital lease assets are computed principally by the straight-line method over the following estimated useful lives:

Buildings.....	25-40 years
Machinery and equipment.....	5-30 years
Leasehold interest in property and equipment.....	Lesser of term of lease or life of asset
Leasehold improvements.....	Lesser of term of lease or life of asset

Excise taxes--Excise taxes approximating \$289,000, \$279,000, and \$244,000 collected from customers on retail gasoline sales are included in net sales for 2001, 2000, and 1999, respectively.

Income taxes--Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock option plan--The Company has elected the pro forma disclosure option of Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation. The Company will continue applying the accounting treatment prescribed by the provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees. Pro forma net earnings and pro forma net earnings per common share have been provided as if SFAS No. 123 were adopted for all stock-based compensation plans.

Earnings per common share--Basic earnings per share have been computed by dividing net income by the weighted average outstanding common shares during each of the years. Calculation of diluted earnings per share treats stock options granted as potential common shares.

Environmental remediation liabilities--The Company accounts for environmental remediation liabilities in accordance with the American Institute of Certified Public Accountants' Statement of Position (SOP) 96-1, Environmental Remediation Liabilities. SOP 96-1 requires, among other things, environmental remediation liabilities to be accrued when the criteria of SFAS No. 5, Accounting for Contingencies, have been met. The guidance provided by the SOP is consistent with the Company's current method of accounting for environmental remediation costs as described in Note 9.

Recent Accounting Pronouncements--In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which was later amended by SFAS No. 137 and SFAS No. 138. This statement as amended establishes accounting and reporting standards for derivative instruments and all hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities at their fair values. Accounting for changes in the fair value of a derivative depends on its designation and effectiveness. For derivatives that qualify as effective hedges, the change in fair value will have no impact on earnings until the hedged item affects earnings. For derivatives that are not designated as hedging instruments or for the ineffective portion of a hedging instrument, the change in fair value will affect current period earnings. The Company implemented the statements on May 1, 2000. There was no material impact on the Company's financial statements as a result of the implementation.

## 2 FAIR VALUE OF FINANCIAL INSTRUMENTS, NOTES PAYABLE TO BANKS, AND LONG-TERM DEBT

The fair value of the Company's financial instruments is summarized below.

Cash and cash equivalents, investments, receivables, and accounts payable--The carrying amount approximates fair value due to the short maturity of these instruments or the recent purchase of the instruments at current rates of interest.

Notes payable to banks--The carrying amount approximates fair value due to variable interest rates on these notes. At April 30, 2001, there was no balance owed under notes payable to banks, which consisted of \$60,000 in lines of credit. At April 30, 2000, notes payable to banks consisted of \$90,000 in lines of credit with a balance owed of \$45,950; \$23,750 on a \$50,000 line of credit was due on demand. The weighted average interest rate was 6.88% at April 30, 2000.

Long-term debt--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 \$199,000 and \$112,000, respectively, at April 30, 2001 and 2000.

Interest expense is net of interest income of \$2,554, \$861, and \$563 for the years ended April 30, 2001, 2000, and 1999, respectively. Interest expense in the amount of \$365, \$680 and \$574 was capitalized during the years ended April 30, 2001, 2000, and 1999, respectively.

Notes to Consolidated Financial Statements

Long-term debt at carrying value consists of the following:

April 30,	2001	2000
Capitalized lease obligations discounted at 7.3% to 10.8% due in various monthly installments through 2008 (Note 6)	\$ 3,236	\$ 4,824
Mortgage notes payable due in various monthly installments through 2004 with interest at 8.0% to 9.4%	7,303	9,125
7.70% senior notes due in 40 quarterly installments beginning in March 1995	11,250	14,250
7.38% senior notes due in 21 semi-annual installments beginning in December 2010	30,000	30,000
6.55% senior notes due in 5 annual installments beginning in December 1999	10,800	14,400
Senior notes due in various installments through 2019 with interest at 6.18% to 7.23%	50,000	50,000
7.89% senior notes due in 7 annual installments beginning in May 2004	80,000	--
	-----	-----
	192,589	122,599
Less current maturities	9,482	9,703
	-----	-----
	\$ 183,107	\$ 112,896

Mortgage notes payable include a Secured Promissory Note, Mortgage and Security Agreement with a balance of \$7,285 and \$8,874 at April 30, 2001 and 2000, respectively. The mortgage note has a 15-year term, bears interest at the rate of 9.42%, is payable in monthly installments, and is secured by property with a depreciated cost of approximately \$11,600 at April 30, 2001.

Various debt agreements contain certain operating and financial covenants. At April 30, 2001, the Company was in compliance with all covenants. Listed below are the aggregate maturities of long-term debt, including capitalized lease obligations, for the 4 years commencing May 1, 2002 and thereafter:

Years ended April 30,	
2003.....	\$ 9,604
2004.....	14,495
2005.....	24,362
2006.....	15,459
Thereafter.....	119,187
	-----
	\$ 183,107

3 PREFERRED AND COMMON STOCK

Preferred stock--The Company has 1,000,000 authorized shares of preferred stock, none of which has been issued.

Common stock--The Company currently has 120,000,000 authorized shares of common stock.

Common share purchase rights--On June 14, 1989, the Board of Directors adopted the Shareholder Rights Plan, providing for the distribution of one common share purchase right for each share of common stock outstanding. The rights generally become exercisable 10 days following a public announcement that 15% or more of the Company's common stock has been acquired or an intent to acquire has become apparent. The rights will expire on the earlier of June 14, 2009 or redemption by the Company. Certain terms of the rights are subject to adjustment to prevent dilution. Further description and terms of the rights are set forth in the amended Rights Agreement between the Company and UMB Bank, n.a., which serves as Rights Agent.

Stock option plan--Under the Company's incentive stock option plan, options may be granted to certain officers and key employees to purchase an aggregate of 4,560,000 shares of common stock at option prices not less than the fair market value of the stock (110% of fair market value for holders of 10% or more of the Company's stock) at the date the options are granted. Options for 690,164 shares were available for grant at April 30, 2001, and options for 1,005,450 shares (which expire between 2001 and 2010) were outstanding. The weighted average fair value of the stock options granted during 2001, 2000, and 1999 was \$12.31, \$14.90, and \$12.81, respectively, on the date of grant. Fair value was calculated using the Black Scholes option-pricing model with the following weighted average assumptions: 2001--expected dividend yield of .71%, risk-free interest rate of 4.9%, estimated volatility of 25%, and an expected life of 5 years; 2000--expected dividend yield of .74%, risk-free interest rate of 6.3%, estimated volatility of 26%, and an expected life of 4.5 years; 1999--expected dividend yield of .47%, risk-free interest rate of 5.9%, estimated volatility of 50%, and an expected life of 4.5 years.

The Company applies APB Opinion No. 25 in accounting for its incentive stock option plan; accordingly, the financial statements recognize no compensation cost for stock options. Had the Company determined compensation cost of its stock options based on the fair value at the grant date under SFAS No. 123, the Company's net income would have been reduced to the pro forma amounts below:

	2001	2000	1999
Net income			
As reported	\$ 35,001	\$ 39,448	\$ 40,237
Pro forma	34,971	38,581	39,957
Basic earnings per share			
As reported	\$ 0.71	\$ 0.76	\$ 0.76
Pro forma	0.71	0.74	0.76

Pro forma net income reflects only options granted in the years ended April 30, 2001, 2000, and 1999. The full impact of calculating compensation cost for stock options under SFAS No. 123 is not reflected in the preceding pro forma net income amounts because compensation cost is reflected over the options' expected life and compensation cost for options granted prior to may 1998 is not considered.

Stock option activity during the periods indicated is as follows:

	Number of shares	Weighted average exercise price
Balance at April 30, 1998	915,400	\$ 9.56
Granted	8,000	12.81
Exercised	(111,500)	9.78
Balance at April 30, 1999	811,900	\$ 9.56
Granted	298,500	14.90
Exercised	(40,450)	9.49
Forfeited	(16,500)	11.70
Balance at April 30, 2000	1,053,450	\$ 11.04
Granted	13,000	12.31
Exercised	(44,000)	8.52
Forfeited	(17,000)	14.10
Balance at April 30, 2001	1,005,450	\$ 11.12

Notes to Consolidated Financial Statements

At April 30, 2001, the range of exercise prices was \$3.84-\$14.94 and the weighted average remaining contractual life of outstanding options was 5.81 years. The number of shares and weighted average remaining contractual life of the options by range of applicable exercise prices at April 30, 2001 are as follows:

Range of exercise prices	Number of shares	Weighted average exercise price	Weighted average remaining contractual life (years)
\$ 3.84 - 6.80	146,150	\$ 5.07	2.24
8.94 - 9.44	56,000	8.99	5.40
10.25 - 10.69	218,100	10.34	4.35
11.38 - 12.81	301,700	11.45	6.40
13.75 - 14.94	283,500	14.89	8.24
	-----		
	1,005,450		

4 EARNINGS PER SHARE

A summary of the basic and diluted earnings per share computations for the years ended April 30, 2001, 2000, and 1999 is presented below:

	For the year ended 2001			For the year ended 2000			For the year ended 1999		
	Net earnings (numerator)	Shares (denominator)	Per share amount	Net earnings (numerator)	Shares (denominator)	Per share amount	Net earnings (numerator)	Shares (denominator)	Per share amount
Basic earnings per share									
Net earnings available to common shareholders	\$ 35,001	49,474,804	\$ 0.71	\$ 39,448	51,914,953	\$ 0.76	\$ 40,237	52,664,912	\$ 0.76
Effect of stock options	--	149,967	--	--	176,254	--	--	265,589	--
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Diluted earnings per share	\$ 35,001	49,624,771	\$ 0.71	\$ 39,448	52,091,207	\$ 0.76	\$ 40,237	52,930,501	\$ 0.76

5 INCOME TAXES

Income tax expense attributable to income from operations is comprised of the following components:

Years ended April 30,	2001	2000	1999
Current tax expense			
Federal	\$ 13,189	\$ 15,487	\$ 15,280
State	1,480	1,880	2,350
	-----	-----	-----
	14,669	17,367	17,630
Deferred tax expense	5,915	6,000	6,511
	-----	-----	-----
Total income tax provision	\$ 20,584	\$ 23,367	\$ 24,141

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

As of April 30,	2001	2000	1999
Deferred tax assets			
Accrued liabilities	\$ 3,197	\$ 3,112	\$ 3,451
Deferred compensation	1,566	1,342	1,204
Other	687	834	1,162
	-----	-----	-----
Total gross deferred tax assets	5,450	5,288	5,817
Deferred tax liabilities			
Excess of tax over book depreciation	(64,841)	(58,651)	(53,983)
Other	(1,062)	(1,175)	(33)
	-----	-----	-----
Total gross deferred tax liabilities	(65,903)	(59,826)	(54,016)
	-----	-----	-----
Net deferred tax liability	\$ (60,453)	\$ (54,538)	\$ (48,199)

The deferred tax asset relating to accrued liabilities is a current asset and is included with prepaid expenses. Management believes future operations will generate sufficient taxable income to realize the deferred tax assets.

Total reported tax expense applicable to the Company's operations varies from the tax that would have resulted by applying the statutory U.S. federal income tax rates to income before income taxes.

Years ended April 30,	2001	2000	1999
Income taxes at the statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	1.7	2.0	2.3
Other	0.3	0.2	0.2
	-----	-----	-----
	37.0%	37.2%	37.5%

## 6 LEASES

The Company leases certain property and equipment used in its operations. Generally, the leases are for primary terms of from 5 to 20 years with options either to renew for additional periods or to purchase the premises and call for payment of property taxes, insurance, and maintenance by the lessee.

The following is an analysis of the leased property under capital leases by major classes:

Asset balances at April 30,	2001	2000
Real estate	\$ 6,882	\$ 7,525
Equipment	4,002	4,278
	-----	-----
	10,884	11,803
Less accumulated amortization	7,490	7,215
	-----	-----
	\$ 3,394	\$ 4,588

Future minimum payments under the capital leases and noncancelable operating leases with initial or remaining terms of 1 year or more consisted of the following at April 30, 2001:

Years ended April 30,	Capital leases	Operating leases
2002	\$ 1,354	\$ 310
2003	1,220	299
2004	851	234
2005	185	212
2006	36	210
Thereafter	49	536
	-----	-----
Total minimum lease payments	3,695	\$ 1,801
Less amount representing interest	459	
	-----	
Present value of net minimum lease payments	\$ 3,236	

The total rent expense under operating leases was \$771 in 2001, \$810 in 2000, and \$843 in 1999.

## 7 BENEFIT PLANS

Employee stock ownership plan--The Company has an Employees' Stock Ownership Plan and Trust (Plan) that covers all employees who meet minimum age and service requirements. Contributions to the Plan can be made by the Company in either cash or shares of common stock. The discretionary contribution is allocated to participants using a formula based on compensation. There was no Plan expense for the years ended April 30, 2001, 2000, and 1999.

On April 30, 2001, the Company had 5,343 full-time employees and 8,456 part-time employees; approximately 4,200 were participants in the Plan. As of that same date, the Trustee of the Plan held 3,506,803 shares of common stock in trust for distribution to eligible participants upon death, disability, retirement, or termination of employment. Shares held by the Plan are treated as outstanding in the computation of earnings per share.

401(k) plan--The Company has a defined contribution 401(k) plan that covers all employees who meet minimum age and service requirements. Employees may make voluntary contributions. The Company contributions consist of matching and discretionary amounts. The Company contributions are allocated based upon employee contributions and compensation. Expense for the 401(k) plan was approximately \$1,725, \$1,594, and \$1,427 for the years ended April 30, 2001, 2000, and 1999, respectively.

Supplemental executive retirement plan--The Company has a nonqualified supplemental executive retirement plan (SERP) for 3 of its executive officers. The SERP provides for the Company to pay annual retirement benefits, depending on retirement dates, up to 50% of base compensation until death of the officer. If death occurs within 20 years of retirement, the benefits become payable to the officer's spouse until the spouse's death or 20 years from the date of the officer's retirement, whichever comes first. The Company is accruing the deferred compensation over the expected term of employment.

## 8 COMMITMENTS

The Company has entered into employment agreements with 3 of its executive officers. The agreements provide that the 3 officers will receive aggregate base compensation of \$1,320 per year exclusive of bonuses. These agreements also provide for certain payments in the case of death or disability of the officers.

The Company also has entered into employment agreements with 12 other key employees, providing for certain payments in the event of their termination following a change of control of the Company.

## 9 CONTINGENCIES

Environmental compliance--The United States Environmental Protection Agency and several states have adopted laws and regulations relating to underground storage tanks used for petroleum products. Several states in which the Company does business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs.

Management currently believes that substantially all capital expenditures for electronic monitoring, cathodic protection, and overfill/spill protection to comply with existing regulations have been completed. The Company accrued a liability at April 30, 2001 and 2000 of approximately \$200 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. Additional regulations or amendments to the existing regulations could result in future revisions to such estimated expenditures.

Legal matters--The Company is a defendant in several lawsuits arising in the normal course of business. In the opinion of management, the outcome of such suits is not expected to have a material effect on the financial position of the Company.

Other--At April 30, 2001, the Company is partially self-insured for workers' compensation claims in all 9 states of its marketing territory and is also partially self-insured for general liability and auto liability under an agreement that provides for annual stop-loss limits equal to or exceeding approximately \$1,000. Letters of credit approximating \$3,600 were issued and outstanding at April 30, 2001 on the insurance company's behalf to facilitate this agreement. The Company also has investments of approximately \$1,500 in escrow as required by 1 state for partial self-insurance for workers' compensation claims. Additionally, the Company is self-insured for its portion of employee medical expenses. At April 30, 2001 and 2000, the Company accrued \$6,550 and \$5,600, respectively, in other accrued expenses for estimated claims relating to self-insurance.

## 10 QUARTERLY FINANCIAL DATA

(UNAUDITED)

Year ended April 30, 2001	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year Total
Net sales	\$ 528,891	\$ 495,708	\$ 437,004	\$ 462,109	\$ 1,923,712
Gross profit*	100,829	99,138	84,101	78,816	362,884
Net income	\$ 15,725	\$ 13,828	\$ 3,983	\$ 1,465	\$ 35,001
Earnings per common share					
Basic	\$ 0.32	\$ 0.28	\$ 0.08	\$ 0.03	\$ 0.71
Diluted	\$ 0.32	\$ 0.28	\$ 0.08	\$ 0.03	\$ 0.71
Year ended April 30, 2000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year Total
Net sales	\$ 387,194	\$ 412,752	\$ 402,029	\$ 446,220	\$ 1,648,195
Gross profit*	84,492	84,983	75,223	80,667	325,365
Net income	\$ 14,651	\$ 12,662	\$ 5,209	\$ 6,926	\$ 39,448
Earnings per common share					
Basic	\$ 0.28	\$ 0.24	\$ 0.10	\$ 0.14	\$ 0.76
Diluted	\$ 0.28	\$ 0.24	\$ 0.10	\$ 0.14	\$ 0.76

\*Gross profit is given before charge for depreciation and amortization.

## INVESTOR INFORMATION

### COMMON STOCK

Casey's General Stores, Inc. common stock trades on the Nasdaq Stock Exchange under the symbol CASY. The 49.5 million shares of common stock outstanding at April 30, 2001 had a market value of \$596.9 million. As of that same date, there were 3,197 shareholders of record.

### COMMON STOCK MARKET PRICES

Calendar 1999	High	Low
1st Quarter	\$ 15.63	\$ 12.56
2nd Quarter	15.13	12.25
3rd Quarter	16.75	12.94
4th Quarter	13.88	9.69

Calendar 2000	High	Low
1st Quarter	\$ 11.88	\$ 7.88
2nd Quarter	12.75	9.75
3rd Quarter	13.25	10.13
4th Quarter	15.00	10.88

Calendar 2001	High	Low
1st Quarter	\$ 14.81	\$ 10.75
2nd Quarter	\$ 13.41	\$ 10.73

On July 13, 2001, the last reported sales price of the Company's common stock was \$13.05 per share. On that same date, the market cap was \$645.9 million.

### DIVIDENDS

The Company began paying cash dividends during fiscal 1991. The fiscal 2001 annual dividend was \$0.075 per basic share. On June 12, 2001 the Board of Directors declared a quarterly dividend of \$0.02 per share, payable August 15, 2001 to shareholders of record on August 1, 2001. The Company currently intends to pay comparable cash dividends on a quarterly basis in the future.

### DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

This plan, introduced in the fall of 1998, gives Casey's General Stores, Inc. common stockholders a convenient and economical way of purchasing additional shares at market prices by reinvesting their dividends in full or in part. Stockholders may also take advantage of the cash payment option to purchase additional shares.

Those wishing to enroll should contact the transfer agent and registrar:

Securities Transfer Division UMB Bank, n.a.  
P.O. Box 410064  
Kansas City, Missouri 64141

### INVESTOR INQUIRIES

Current or prospective Casey's General Stores, Inc. investors can receive annual reports, proxy statements, Forms 10-K and 10-Q, and earnings announcements at no cost by calling (515) 965-6107 or sending written requests to the following address:

Casey's General Stores, Inc. One Convenience Blvd. Ankeny, Iowa 50021

Corporate information is available at <http://www.caseys.com>  
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### ANNUAL MEETING

All shareholders and prospective investors are cordially invited to attend the annual meeting at 9:00 a.m., September 21, 2001 at the corporate headquarters in Ankeny, Iowa.

CONSENT OF INDEPENDENT AUDITORS  
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The Board of Directors  
Casey's General Stores, Inc.:

We consent to incorporation by reference in the Registration Statements (No. 33-19179, 33-42907 and 33-56977) on Form S-8 of Casey's General Stores, Inc. of our report dated June 12, 2001, relating to the consolidated balance sheets of Casey's General Stores, Inc. and subsidiaries as of April 30, 2001 and 2000, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended April 30, 2001, which report is incorporated by reference in the April 30, 2001 Annual Report on Form 10-K of Casey's General Stores, Inc.

KPMG LLP

Des Moines, Iowa  
July 24, 2001