



Jon Freilich/The Associated Press

DIAMONDS ARE ULTRAMAR'S BEST FRIEND: A customer leaves a Diamond Shamrock gas station Monday. Diamond Shamrock Inc. and Ultramar Corp. announced Monday they are merging into one company, to be known as Ultramar Diamond Shamrock Corp., that will be based in San Antonio.

Diamond Shamrock, Ultramar to merge

By The Associated Press 9-24-96

SAN ANTONIO — Oil refiners Diamond Shamrock Inc. and Ultramar Corp. said Monday they plan to merge in an all-stock deal that will enable them to better compete in the Southwest.

The merged company will take a new name, Ultramar Diamond Shamrock Corp., and generate sales of more than \$8 billion a year.

Diamond Shamrock, based in San Antonio, refines oil and sells gasoline in the Southwest through about 2,700 Corner

Store, Stop N Go and Diamond Shamrock stores in nine states. It has the best-selling gasoline in Texas and is No. 2 in Colorado and New Mexico.

Ultramar, based in Greenwich, Conn., refines oil and sells gasoline in California. It also sells gas and heating oil in eastern Canada and New England. Its gasoline brands are Ultramar, Beacon and Sergaz.

"This merger will position the new company for greater penetration of attractive western U.S. markets, including Arizona, California and Nevada,"

said Roger Hemminghaus, Diamond Shamrock's chairman and chief executive officer.

The two companies said the merger is projected to bring cost savings of \$25 million in 1997 and \$75 million a year by 1998 through the reduction of overhead and administrative costs.

Ultramar has about 4,000 employees and Diamond Shamrock has more than 13,000. About 200 employees will be laid off as a result of the merger, with many job cuts coming in California. The new company will be based in San Antonio.

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