



Ferrellgas Partners, L.P. Reports Fourth Quarter Results

September 26, 2000

LIBERTY, Mo., Sept. 26 /PRNewswire/ -- Ferrellgas Partners, L.P. (NYSE: FGP), the nation's largest retail marketer of propane, today reported a 26 percent increase in both retail gallon sales and gross profit for the fourth quarter, as compared to the same period last year. The fourth quarter covers the three-month period ended July 31, 2000.

Fourth quarter gross profit was \$63.7 million on retail propane sales of 117 million gallons, as compared to last year's fourth quarter gross profit of \$50.7 million on retail propane sales of 93 million gallons. The acquisition of Thermogas in December 1999 resulted in the partnership's increased gross profit and gallon sales which more than offset the impact of higher product costs experienced during the quarter. Operating expenses of \$58.8 million increased from \$45.0 million for the same quarter last year primarily due to the addition of Thermogas.

"We are very pleased with the contribution our Thermogas acquisition provided in fiscal 2000," said Danley K. Sheldon, Ferrellgas' President and Chief Executive Officer. "The fourth quarter is our off-peak season which allowed us to focus on cost reductions through further integration of Ferrellgas and Thermogas operations. We look forward to the upcoming heating season and capitalizing on cost savings achieved through our integration efforts."

EBITDA (earnings before interest, taxes, non-cash compensation, depreciation and amortization) for the fourth quarter reflected a seasonal loss of \$9.3 million, increasing from \$2.7 million in the same quarter last year. Net earnings for the quarter reflected a seasonal loss of \$42.5 million increasing from \$27.5 million in the same quarter of fiscal 1999. The increased seasonal loss reflects the additional depreciation, equipment lease and interest expense from Thermogas operations.

"Fiscal 2000 presented many operating challenges including record warm temperatures, high product costs and the integration of Thermogas which was our largest acquisition ever," said Sheldon. "I am proud of our performance given this year's tough operating environment and am confident that we are strategically positioned for the future."

For the fiscal year ended July 31, 2000, EBITDA was \$122.1 million, up from \$112.9 million in fiscal 1999. Net earnings before extraordinary items was \$.9 million compared to \$14.8 million in fiscal 1999. Retail sales volumes were 847 million gallons in fiscal 2000 compared with 680 million gallons sold in fiscal 1999. Gross profit increased 22 percent, from \$350.8 million in fiscal 1999 to \$428.0 million in fiscal 2000. The increases in fiscal 2000 were primarily attributable to the addition of Thermogas plus a strong performance from the company's Houston-based risk management operation which more than offset the impact from increased product costs.

Ferrellgas Partners, L.P., through its operating partnership, Ferrellgas, L.P., currently serves more than one million customers in 45 states. Ferrellgas employees own approximately 50 percent of the company through an Employee Stock Ownership Plan. Ferrellgas trades on the New York Stock Exchange under the ticker symbol FGP.

Statements in this release concerning expectations for the future are forward-looking statements. A variety of known and unknown risks, uncertainties, and other factors could cause actual results, performance, and expectations to differ materially from anticipated results, performance, or expectations. These risks, uncertainties, and other factors are discussed in the partnership's Form 10-K for fiscal 1999 dated July 31, 1999, as filed with the Securities and Exchange Commission on October 29, 1999, and other documents filed from time to time with the Securities and Exchange Commission.

FERRELLGAS PARTNERS, L.P.
CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

ASSETS	July 31, 2000	July 31, 1999
Current Assets:		
Cash and cash equivalents	\$ 14,838	\$ 35,134
Accounts and notes receivable, net	89,801	58,380
Inventories	71,979	24,645
Prepaid expenses and other current assets	8,275	6,780
Total Current Assets	184,893	124,939
Property, plant and equipment, net	516,183	405,292
Intangible assets, net	256,476	118,117
Other assets, net	10,355	8,397
Total Assets	\$ 967,907	\$ 656,745
LIABILITIES AND PARTNERS' CAPITAL		
Current Liabilities:		
Accounts payable	\$ 95,264	\$ 60,754

Other current liabilities	77,631	48,266
Short-term borrowing	18,342	20,486
Total Current Liabilities	191,237	129,506
Long-term debt	718,118	583,840
Other liabilities	16,176	12,144
Minority interest	2,032	906
Partners' Capital:		
Senior common unitholders (4,652,691 units outstanding at July 2000 -liquidation preference \$40 per unit)	179,786	--
Common unitholders (31,307,116 and 14,710,765 units outstanding at July 2000 and July 1999, respectively)	(80,931)	1,215
Subordinated unitholders (16,593,721 units outstanding at July 1999)	--	(10,516)
General partner	(58,511)	(59,553)
Accumulated other comprehensive income	--	(797)
Total Partners' Capital	40,344	(69,651)
Total Liabilities and Partners' Capital	\$ 967,907	\$ 656,745

- (A) The principal difference between Ferrellgas Partners, L.P.'s balance sheet and that of Ferrellgas, L.P.'s, the operating partnership, is \$160 million of 9 3/8% notes, which are a liability of Ferrellgas Partners, L.P. and not of the operating partnership.

FERRELLGAS PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE TWELVE MONTHS ENDED JULY 31, 2000 AND 1999
(in thousands, except per unit data)

	Three months ended July 31		Twelve months ended July 31	
	2000	1999	2000	1999
Revenues:				
Gas liquids and related sales	\$ 131,204	\$ 82,290	\$ 867,779	\$ 578,025
Other	17,021	11,551	84,420	46,124
Total revenues	148,225	93,841	952,199	624,149
Cost of product sold	84,528	43,177	524,155	273,388
Gross profit	63,697	50,664	428,044	350,761
Operating expense	58,764	44,957	255,838	205,720
Depreciation and amortization expense	18,252	11,984	61,633	47,257
Non-cash ESOP compensation expense	840	805	3,733	3,295
General and administrative expense	6,374	4,943	24,587	19,174
Equipment lease expense	7,906	3,484	25,518	12,976
Operating income	(28,439)	(15,509)	56,735	62,339
Interest expense	(15,489)	(11,779)	(58,298)	(46,621)
Interest income	661	342	2,229	1,216
Gain (loss) on disposal of assets	386	(835)	356	(1,842)

Earnings before minority interest and extraordinary loss	(42,881)	(27,781)	1,022	15,092
Minority interest (A)	399	241	(162)	(309)
Earnings before extraordinary loss	(42,482)	(27,540)	860	14,783
Extraordinary loss on early extinguishments of debt, net of minority interest	--	--	--	(12,786)
Net earnings	\$ (42,482)	\$ (27,540)	\$ 860	\$ 1,997
Paid in kind distribution to senior common unitholders	4,539	N/A	11,108	N/A
Net earnings available to general partner	(470)	(275)	(102)	20
Net earnings available to common unitholders	\$ (46,551)	\$ (27,265)	\$ (10,146)	\$ 1,977
Net earnings per common unit:				
Net earnings before extraordinary loss	\$ (1.49)	\$ (0.87)	\$ (0.32)	\$ 0.47
Net earnings per unit	\$ (1.49)	\$ (0.87)	\$ (0.32)	\$ 0.06
Weighted average units outstanding	31,307.1	31,304.5	31,306.7	31,304.5

Supplemental Data:

	Three months ended July 31		Twelve months ended July 31	
	2000	1999	2000	1999
Retail gallons	117,197	92,766	846,664	680,477
EBITDA (B)	\$ (9,347)	\$ (2,720)	\$ 122,101	\$ 112,891
Net cash interest expense (C)	(14,257)	(10,859)	(53,541)	(43,245)
Maintenance capital expenditures	(755)	(1,993)	(8,917)	(10,505)
Distributable cash flow	(24,359)	(15,572)	59,643	59,141
Less: General partner interest	454	274	(1,338)	(1,333)
Distributable cash flow to unitholders	\$ (23,905)	\$ (15,298)	\$ 58,305	\$ 57,808

(A) Amounts allocated to the general partner for its 1.0101% interest in the Operating Partnership, Ferrellgas, L.P.

(B) EBITDA is calculated as operating income plus depreciation, amortization and non-cash ESOP compensation expense. EBITDA is not intended to represent cash flow and does not represent the measure

of cash available for distribution. EBITDA is a non-GAAP measure, but provides additional information for evaluating the Partnership's ability to make the Minimum Quarterly Distribution. In addition, EBITDA is not intended as an alternative to operating income or net earnings.

- (C) Net cash interest expense is interest expense less non-cash interest expense and interest income.

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Web site: <http://www.ferrellgas.com>

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