



Ferrellgas Partners, L.P. Reports 30% Increase in Gallon Sales And 27% Increase in EBITDA

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LIBERTY, Mo., Nov. 28 /PRNewswire/ -- Ferrellgas Partners, L.P. (NYSE: FGP), the nation's largest retail marketer of propane, today reported a 30 percent increase in retail gallon sales and a 27 percent increase in EBITDA (earnings before interest, taxes, depreciation, amortization and other non-cash items) for the first quarter, as compared to the same period last year. The first quarter covers the three-month period ended October 31, 2000.

First quarter retail propane sales of 200 million gallons produced a gross profit of \$92.1 million as compared to last year's first quarter retail propane sales of 153 million gallons, which produced a gross profit of \$77.4 million. The primary contributor to the increased gallon sales was the acquisition of Thermogas in December 1999. Gross profit increased due to the increased sales volumes and improved retail margins, partially offset by significant gains in risk management recognized in the first quarter of last year that were not repeated this quarter.

Operating expense of \$65.1 million reflects a 4.7 cent per gallon decrease in operating expense as compared to the same quarter last year primarily due to the successful integration of Thermogas' operations and other operating efficiency programs put in place over the past several months.

"Over the past couple years we focused on growing the business through acquisitions. More recently, we have intensified our focus on operating profitably," said James E. Ferrell, Ferrellgas' President and Chief Executive Officer. "During this off-peak season we have taken decisive steps to improve our operating efficiency, which removed significant operating and overhead costs from our business."

General and administrative expenses remained relatively flat at \$4.7 million for the quarter compared to \$5.2 million for the same period last year despite increased administrative burden from the addition of Thermogas. The resulting EBITDA for the first quarter was \$14.2 million, an increase from \$11.2 million in the same quarter last year.

The propane business is seasonal with peak activity during the winter. First quarter operations typically represent about 20 percent of annual sales volume and 10 percent of EBITDA. The partnership historically experiences losses during the first quarter because certain annualized fixed costs exceed seasonal EBITDA. Annualized fixed costs include depreciation and amortization, equipment leases, and interest; all of which increased over the first quarter of last year primarily due to the addition of Thermogas' operations. The resulting net earnings for the quarter reflect a seasonal loss of \$17.6 million, which is an increase from \$14.2 million in the same quarter of fiscal 2000.

Ferrellgas Partners, L.P., through its operating partnership, Ferrellgas, L.P., currently serves more than one million customers in 45 states. Ferrellgas employees indirectly own more than 17 million units of the partnership 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 2000 dated July 31, 2000, as filed with the Securities and Exchange Commission on October 26, 2000, and other documents filed from time to time with the Securities and Exchange Commission.

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

	Unaudited October 31, 2000	Audited July 31, 2000
ASSETS		
Current Assets:		
Cash and cash equivalents	\$22,129	\$14,838
Accounts and notes receivable, net	49,438	89,801
Inventories	79,072	71,979
Prepaid expenses and other current assets	9,559	8,275
Total Current Assets	160,198	184,893
Property, plant and equipment, net	510,062	516,183
Intangible assets, net	250,461	256,476
Other assets, net	23,327	10,355
Total Assets	\$944,048	\$967,907

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities:		
Accounts payable	\$128,577	\$95,264

Other current liabilities	57,951	77,631
Short-term borrowings	5,428	18,342
Total Current Liabilities	191,956	191,237
Long-term debt	724,930	718,118
Other liabilities	15,322	16,176
Minority interest	1,703	2,032
Partners' Capital:		
Senior common unitholder (4,769,009 and 4,652,691 units outstanding at October 2000 and July 2000, respectively - liquidation preference at \$40 per unit)	185,555	179,786
Common unitholders (31,307,116 units outstanding at both October 2000 and July 2000)	(118,637)	(80,931)
General partner unitholder (316,233 units outstanding at both October 2000 and July 2000)	(58,892)	(58,511)
Accumulated other comprehensive income	2,111	-
Total Partners' Capital	10,137	40,344
Total Liabilities and Partners' Capital	\$944,048	\$967,907

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

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

	Three months ended October 31	
	2000	1999
Revenues:		
Gas liquids and related sales	\$260,097	\$141,507
Other	10,287	21,232
Total revenues	270,384	162,739
Cost of product sold	178,243	85,325
Gross profit	92,141	77,414
Operating expense	65,143	57,177
Depreciation and amortization expense	14,031	12,083
General and administrative expense	4,717	5,183
Equipment lease expense	8,107	3,853
Employee stock ownership plan compensation and other	886	1,027
Loss on disposal of assets	1,354	96
Operating loss	(2,097)	(2,005)
Interest expense	(16,168)	(12,581)
Interest income	557	258
Loss before minority interest	(17,708)	(14,328)
Minority interest (A)	(143)	(106)

Net loss	(17,565)	(14,222)
Paid in kind distribution to senior common unitholder	4,653	N/A
Net loss available to general partner	(222)	(142)
Net loss available to common unitholders	\$(21,996)	\$(14,080)
Net loss per common unit:		
Net loss per common unit	\$(0.70)	\$(0.45)
Weighted average common units outstanding	31,307.1	31,305.5

Supplemental Data:

Three months ended October 31

	2000	1999
Retail gallons	200,063	153,429
EBITDA (B)	\$14,174	\$11,201
Net cash interest expense (C)	(15,024)	(11,735)
Maintenance capital expenditures	(1,971)	(2,290)
Distributable cash flow	(2,821)	(2,824)
Less: General partner	(22)	(19)
Distributable cash flow to common unitholders	\$(2,799)	\$(2,805)

- (A) Amounts allocated to the general partner for its 1.0101% interest in the operating partnership, Ferrellgas, L.P.
- (B) EBITDA is calculated as earnings before interest, taxes, depreciation, amortization and non-cash items such as employee stock ownership plan compensation and loss on disposal of assets. 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 loss or net loss.
- (C) Net cash interest expense is the sum of interest expense less non-cash interest expense and interest income.

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