



Thermogas Acquisition and Cold Winter Lead to Record Second Quarter For Ferrellgas Partners, L.P.

February 27, 2001

LIBERTY, Mo., Feb. 27 /PRNewswire/ -- Ferrellgas Partners, L.P. (NYSE: FGP), the nation's largest retail marketer of propane, today reported a 27 percent increase in retail gallon sales and an 82 percent increase in net earnings for the second quarter, as compared to the same period last year. These results reflect the positive impact of colder winter temperatures and acquisitions.

Second quarter retail propane sales were a record 399 million gallons, an increase of 85 million gallons as compared to the second quarter of 2000. These strong sales reflect national temperatures that were 19 percent colder than the same quarter last year, and the additional gallons from the Thermogas operations acquired in December 1999. Second quarter sales were offset by customer conservation that resulted from higher product prices.

Operating expense for the quarter was \$90.3 million, up from \$69.3 million in the second quarter of 2000, reflecting the full quarter impact of Thermogas operations and increased retail gallon sales resulting from colder winter temperatures.

"Our successful integration of acquisitions and renewed focus on operating efficiencies have allowed us to benefit from the return of cold temperatures," said James E. Ferrell, Ferrellgas' Chairman and Chief Executive Officer. "We will continue to execute our strategies throughout this winter heating season, remaining sensitive to our customers during this time of high product costs."

General and administrative expenses for the quarter were \$6.9 million, up \$1.0 million from the prior year. EBITDA (earnings before interest, taxes, depreciation, amortization and other non-cash items) for the second quarter was \$128.2 million, an increase of \$46.2 million from the same quarter last year. Equipment lease and interest expenses increased for the quarter primarily as a result of the Thermogas acquisition. Net earnings for the quarter were \$94.9 million, an increase from \$52.2 million in the second quarter of fiscal 2000.

For the six-month period ending January 31, 2001, colder national temperatures and the addition of Thermogas operations generated an increase in sales volumes to 599 million retail gallons, an increase of 132 million gallons as compared to the same prior year period. Operating expense for the six-month period was \$155.5 million, a decrease of more than one cent per gallon as compared to the same period last year primarily resulting from operating efficiencies created with the Thermogas acquisition. General and administrative expenses for the period were \$11.6 million, an increase of \$0.5 million compared to the prior year period. These year-to-date results generated EBITDA of \$142.4 million, an increase of \$49.1 million from the prior year's six-month period. Equipment lease, depreciation, amortization and interest expenses all increased primarily as a result of the Thermogas acquisition. Net earnings for the six-month period were \$77.4 million, or \$2.15 per share as compared to \$38.0 million or \$1.13 per share in the prior year's six-month results.

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)

ASSETS	Unaudited January 31, 2001	Audited July 31, 2000
Current Assets:		
Cash and cash equivalents	\$34,938	\$14,838
Accounts and notes receivable, net	162,113	89,801
Inventories	95,321	71,979
Prepaid expenses and other current assets	12,623	8,275
Total Current Assets	304,995	184,893
Property, plant and equipment, net	499,875	516,183
Intangible assets, net	244,673	256,476
Other assets, net	33,141	10,355
Total Assets	\$1,082,684	\$967,907

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities:

Accounts payable	\$156,876	\$95,264
Other current liabilities	81,654	77,631
Short-term borrowings	11,745	18,342
Total Current Liabilities	250,275	191,237
Long-term debt	724,153	718,118
Other liabilities	16,914	16,176
Minority interest	2,527	2,032

Partners' Capital:

Senior common unitholder (4,888,234 and 4,652,691 units outstanding at January 2001 and July 2000, respectively -- liquidation preference at \$40 per unit)	191,439	179,786
Common unitholders (31,307,116 units outstanding at both January 2001 and July 2000)	(45,017)	(80,931)
General partner unitholder (316,233 units outstanding at both January 2001 and July 2000)	(58,148)	(58,511)
Accumulated other comprehensive income	541	-
Total Partners' Capital	88,815	40,344
Total Liabilities and Partners' Capital	\$1,082,684	\$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 AND SIX MONTHS ENDED JANUARY 31, 2001 AND 2000 (in thousands, except per unit data) (Unaudited)

	Three months ended Jan. 31		Six months ended Jan. 31	
	2001	2000	2001	2000
Revenues:				
Gas liquids and related product sales	\$612,752	\$316,025	\$872,849	\$457,532
Other	36,446	24,970	46,733	46,202
Total revenues	649,198	340,995	919,582	503,734
Cost of product sold	415,048	178,028	593,291	263,353
Gross profit	234,150	162,967	326,291	240,381
Operating expense	90,345	69,341	155,488	126,518
Depreciation and amortization expense	13,947	13,916	27,978	25,999
General and administrative expense	6,910	5,960	11,627	11,143
Equipment lease expense	8,661	5,586	16,768	9,439
Employee stock				

ownership plan compensation charge	1,125	1,026	2,194	2,053
Loss on disposal of assets and other	1,983	33	3,154	129
Operating income	111,179	67,105	109,082	65,100
Interest expense	(16,106)	(14,697)	(32,274)	(27,278)
Interest income	882	351	1,439	609
Earnings before minority interest	95,955	52,759	78,247	38,431
Minority interest (A)	1,007	573	864	467
Net earnings	94,948	52,186	77,383	37,964
Paid in kind distribution to senior common unitholder	4,769	2,140	9,422	2,140
Net earnings available to general partner	902	500	680	358
Net earnings available to common unitholders	\$89,277	\$49,546	\$67,281	\$35,466
Net earnings per common unit:				
Net earnings per common unit	\$2.85	\$1.58	\$2.15	\$1.13
Weighted average common units outstanding	31,307.1	31,307.1	31,307.1	31,306.3

Supplemental Data:

	Three months ended Jan. 31 2001	2000	Six months ended Jan. 31 2001	2000
Retail gallons	399,060	314,044	599,123	467,473
EBITDA (B)	\$128,234	\$82,080	\$142,408	\$93,281
Net cash interest expense (C)	(15,465)	(13,638)	(30,688)	(25,373)
Maintenance capital expenditures	(2,619)	(3,660)	(4,590)	(5,950)
Distributable cash flow	110,150	64,782	107,130	61,958
Less: General partner	2,228	1,333	2,210	1,314
Distributable cash flow to common unitholders	\$107,922	\$63,449	\$104,920	\$60,644

- (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 charge and loss on disposal of assets and other. 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 the sum of interest expense less non-cash interest expense and interest income. This amount also includes interest expense related to the accounts receivable securitization.

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SOURCE Ferrellgas Partners, L.P.

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

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