

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended April 30, 1995

OR

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

For the transition period from.....to.....

Commission file number 1-11331

Ferrellgas Partners, L.P.

(Exact name of registrants as specified in their charters)

Delaware

43-1698480

(States or other jurisdictions
of incorporation or organization)

(I.R.S. Employer
Identification Nos.)

One Liberty Plaza, Liberty, Missouri 64068

(Address of principal executive offices) (Zip Code)

Registrants' telephone number, including area code (816) 792-1600

Indicate by check mark whether the registrants (1) have
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 registrants were required to file such reports),
and (2) have been subject to such filing requirements
for the past 90 days.

Yes ☒ No ☐

Indicate the number of shares outstanding of each of
the issuer's classes of common stock, as of May 31,
1995:

Ferrellgas Partners, L.P. - 14,398,942 Common Units
16,593,721 Subordinated Units

FERRELLGAS PARTNERS, L.P.
FERRELLGAS, L.P.
FERRELLGAS FINANCE CORP.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

ASSETS	April 30, 1995	July 31, 1994
-----	-----	-----
	(unaudited)	
Current Assets:		
Cash and cash equivalents	\$ 17,029	\$ 14,535
Accounts and notes receivable, net	67,522	50,780
Inventories	31,973	43,562
Prepaid expenses and other current assets	3,533	2,042
	-----	-----
Total Current Assets	120,057	110,919
Property, plant and equipment, net	353,861	294,765
Intangible assets, net	66,701	63,291
Other assets, net	8,372	8,218
	-----	-----
Total Assets	\$548,991	\$477,193
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		

Current Liabilities:		
Accounts payable	\$ 46,392	\$ 46,368
Other current liabilities	28,169	26,603
Short-term borrowing	-	3,000
	-----	-----
Total Current Liabilities	74,561	75,971
Long-term debt	320,162	267,062
Other liabilities	11,743	11,528
Minority interest	1,441	1,239
Partners' Capital		
Common unitholders (14,398,942 and 14,100,000 units outstanding in 1995 and 1994, respectively)	94,812	84,532
Subordinated unitholders (16,593,721 units outstanding in 1995 and 1994)	103,723	99,483

General partner	(57,451)	(62,622)
Total Partners' Capital	141,084	121,393
Total Liabilities and Partners' Capital	\$548,991	\$477,193
	=====	=====

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except unit data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	April 30, 1995	April 30, 1994	April 30, 1995	April 30, 1994
	-----	-----	-----	-----
		(Predecessor)		(Predecessor)
Revenues:				
Gas liquids and related product sales	\$162,821	\$140,606	\$483,290	\$430,401
Other	5,192	5,735	22,797	20,076
	-----	-----	-----	-----
Total revenues	168,013	146,341	506,087	450,477
	-----	-----	-----	-----
Costs and expenses:				
Cost of product sold	94,759	73,347	285,059	229,326
Operating	40,638	38,261	120,335	113,202
Depreciation and amortization	8,443	6,910	23,855	21,688
General and administrative	3,118	2,756	8,366	7,613
Vehicle leases	1,080	1,059	3,227	3,203
	-----	-----	-----	-----
Total costs and expenses	148,038	122,333	440,842	375,032
	-----	-----	-----	-----
Operating income	19,975	24,008	65,245	75,445
Interest expense	(8,221)	(14,409)	(23,536)	(44,233)
Interest income	433	1,098	947	2,791
Loss on disposal of assets	(126)	(478)	(429)	(888)
	-----	-----	-----	-----
Earnings before income taxes, minority interest and extraordinary loss	12,061	10,219	42,227	33,115
Income tax provision	-	3,906	-	12,759
Minority interest	122	-	427	-
	-----	-----	-----	-----
Earnings before extraordinary loss	11,939	6,313	41,800	20,356
Loss on early extinguishment of debt, net of \$531 tax benefit	-	867	-	867
	-----	-----	-----	-----
Net earnings	\$ 11,939	\$ 5,446	\$ 41,800	\$ 19,489
	=====	=====	=====	=====
Net earnings per limited partner unit	\$0.38		\$1.34	
	=====		=====	
Weighted average number of units outstanding	30,992,663		30,879,571	
	=====		=====	

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(in thousands, except unit data)
(unaudited)

Number of units		Total General partners'	
Common	Subordinated	Common	Subordinated
-----	-----	-----	-----
		partner	capital

Balance						
August 1,						
1994	14,100,000	16,593,721	\$84,532	\$99,483	(\$62,622)	\$121,393
Special allocation of prior year operating loss (note D)	-	-	(2,312)	(2,664)	4,976	-
Contributed capital (note H)	-	-	3,324	3,830	72	7,226
Common units issued in connection with acquisitions	298,942	-	6,600	-	66	6,666
Quarterly distributions	-	-	(16,557)	(19,083)	(361)	(36,001)
Net earnings	-	-	19,225	22,157	418	41,800
	-----	-----	-----	-----	-----	-----
Balance						
April 30,						
1995	14,398,942	16,593,721	\$94,812	\$103,723	(\$57,451)	\$141,084
	=====	=====	=====	=====	=====	=====

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands) (unaudited)

	Nine Months Ended	
	April 30, 1995	April 30, 1994
	-----	-----
		(Predecessor)
Cash Flows From		
Operating Activities:		
Net earnings	\$41,800	\$19,489
Reconciliation of net earnings to net cash from operating activities:		
Depreciation and amortization	23,855	21,688
Extraordinary loss	-	867
Minority interest	427	-
Other	2,283	4,127
Changes in operating assets and liabilities net of effects from business acquisitions:		
Accounts and notes receivable	(10,344)	(4,610)
Inventories	19,505	(6,129)
Prepaid expenses and other current assets	(1,143)	(1,374)
Accounts payable	(6,270)	1,320
Accrued interest expense	5,208	6,863
Other current liabilities	(9,775)	3,415
Other liabilities	(100)	(49)
Deferred income taxes	-	12,639
	-----	-----
Net cash provided by operating activities	65,446	58,246
	-----	-----
Cash Flows From Investing Activities:		
Business acquisitions	(17,135)	(2,385)
Capital expenditures	(13,273)	(5,945)
Proceeds from asset sales	1,093	643
Net short-term investment activity	-	(4,305)
Net additions to intangible assets and other assets	(637)	(333)
	-----	-----
Net cash used by investing activities	(29,952)	(12,325)
	-----	-----

Cash Flows From Financing Activities:		
Net reductions of short-term borrowing	(3,000)	-
Additions to long-term debt	60,000	-
Reductions of long-term debt	(53,750)	(13,336)
Distributions	(36,001)	-
Minority activity	(299)	-
Additional payments to retire debt	-	(1,190)
Additions to financing costs	-	(53)
Contribution from general partner	66	-
Net advances to related party	-	(2,249)
Net advances to general partner and affiliate	(16)	(2,993)
	-----	-----
Net cash used by financing activities	(33,000)	(19,821)
	-----	-----
Increase in cash and cash equivalents	2,494	26,100
Cash and cash equivalents - beginning of period	14,535	32,706
	-----	-----
Cash and cash equivalents - end of period	\$17,029	\$58,806
	=====	=====
Cash paid for interest	\$17,153	\$35,062
	=====	=====

See notes to consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 1995 AND 1994
(unaudited)

- A. Reference should be made to the Notes to Consolidated Financial Statements for the period ending July 31, 1994, (specifically Notes A and N regarding organization and formation and pro forma earnings) included in the Ferrellgas Partners, L.P. and Subsidiary (the "Partnership") annual financial statements on Form 10-K filed with the SEC. The presentation of the financial statements has been changed to reflect the predecessor statements of earnings and cash flow on the face of the financial statements and the pro forma earnings are contained in the notes thereto.
- B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature. Certain expense reclassifications have been made to the prior year amounts to conform to the current year presentation. Such reclassifications had no effect on net earnings.
- C. The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended April 30, 1995 and predecessor April 30, 1994, are not necessarily indicative of the results to be expected for a full year.
- D. The Agreement of Limited Partnership of Ferrellgas Partners, L.P. (the "Partnership Agreement") contains specific provisions for the allocation of net income and loss to each of the partners for purposes of maintaining the partner capital accounts. In addition, the Partnership Agreement contains a special provision to allocate the first year's operating loss (\$5,026,000) 100% to the general partner and reallocate, based on ownership percentages, an amount equal to 99% of this net loss (\$4,976,000) to the limited partners in the following year. The fiscal 1995 special allocation of the prior year operating loss to the limited partners resulted in a reduction in equity of \$0.16 per limited partner unit.
- E. The Partnership is threatened with or named as a defendant in various lawsuits which, among other items, claim damages for product liability. It is not possible to determine the ultimate disposition of these matters; however, after taking into consideration the Partnership's insurance coverage

and its existing reserves, management is of the opinion that there are no known uninsured claims or known contingent claims that are likely to have a material adverse effect on the results of operations or financial condition of the Partnership.

In connection with the formation of the Partnership, the General Partner contributed certain assets including customer relationships and customer tanks. The Internal Revenue Service ("IRS") has examined the General Partner's consolidated income tax returns for the years ended July 31, 1987 and 1986, and has proposed certain adjustments which relate to these contributed assets. The General Partner has reached a tentative settlement agreement with the IRS (pending final IRS approval) which may result in an additional capital contribution by the General Partner and an increase in the Partnership's intangibles (to be amortized prospectively over the remaining life of the related assets). Such adjustments are not expected to be material to financial position or results of operations and will not impact the limited partners' tax basis in the Partnership's units.

F. The accompanying pro forma consolidated statements of earnings for the three and nine months ended April 30, 1994, were derived from the historical statements of operations of the Predecessor and reflect the pro forma effects on the historical financial information as if the formation of the Partnership had occurred on August 1, 1993. Significant pro forma adjustments represent the elimination of income taxes under the Partnership structure and the net reduction of interest expense resulting from retirement of \$477,600,000 of indebtedness offset by the issuance of \$250,000,000 senior notes. The pro forma consolidated statements of earnings of the Partnership should be read in conjunction with the consolidated financial statements of the Partnership and the Predecessor and the notes thereto. The accompanying pro forma consolidated statements of earnings are for comparative purposes and are not necessarily indicative of the results of future operations of the Partnership:

	Pro Forma Periods Ended April 30, 1994	
	Three Months	Nine Months
	-----	-----
	(in thousands, except unit data)	
Revenues:		
Gas liquids and related product sales	\$140,606	\$430,401
Other	5,735	20,076
	-----	-----
Total revenues	146,341	450,477
Costs and expenses:		
Cost of product sold	73,347	229,326
Operating	38,261	113,202
Depreciation and amortization	6,910	21,688
General and administrative	2,881	7,988
Vehicle leases	1,059	3,203
	-----	-----
Total costs and expenses	122,458	375,407
Operating income	23,883	75,070
Interest expense	(6,888)	(21,291)
Interest income	529	879
Loss on disposal of assets	(478)	(888)
	-----	-----
Earnings before minority interest and extraordinary loss	17,046	53,770
Minority interest	(172)	(543)
	-----	-----
Earnings before extraordinary loss	\$16,874	\$53,227
	=====	=====
Earnings before extraordinary loss per limited partner unit	\$0.55	\$1.72
	=====	=====
Weighted average number of units outstanding	30,693,721	30,693,721

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G. On October 14, 1994, the General Partner adopted the Ferrellgas, Inc. Unit Option Plan (the "Unit Option Plan"), which authorizes the issuance of options (the "Unit Options") covering up to 850,000 Subordinated Units to certain officers and employees of the General Partner, of which 718,000 options were issued and outstanding at April 30, 1995. The Unit Options granted have exercise prices ranging from \$16.80 to \$18.54 per unit (which is an estimate of the fair market value of the Subordinated Units at the time of grant), will vest over a one to five year period (depending on the employee), are exercisable beginning after July 31, 1999, assuming the subordination period has elapsed and will expire on the tenth anniversary of the date of grant. Upon conversion of the Subordinated Units held by the General Partner and its affiliates, the Unit Options granted will convert to Common Unit Options.

H. On November 1, 1994, the General Partner purchased all of the capital stock of Vision Energy Resources, Inc. ("Vision") for a cash purchase price of \$45 million. Immediately following the closing of the purchase of Vision, the General Partner (i) caused Vision and each of its subsidiaries to be merged into the General Partner (except for a trucking subsidiary which dividended substantially all of its assets to the General Partner) and (ii) contributed all of the assets of Vision and its subsidiaries to Ferrellgas, L.P. (the "Operating Partnership"). As a result of the contribution, the Operating Partnership assumed substantially all of the liabilities, whether known or unknown, associated with Vision and its subsidiaries (excluding income tax liabilities), including obligations of the General Partner under a \$45,000,000 loan agreement under which the General Partner borrowed funds to pay the purchase price for Vision. The Operating Partnership repaid the loan immediately after the transfer of assets with funds borrowed under its Credit Facility. In consideration of the retention by the General Partner of certain income tax liabilities, the Partnership issued 138,392 Common Units to the General Partner. The Operating Partnership received a contribution of \$7,300,000 from the General Partner, representing the excess of the value of the assets over the liabilities conveyed and the units issued to the General Partner. This contribution is allocated to each partner based on their relative ownership percentages following the closing of the Vision acquisition. The total assets contributed to the Operating Partnership of approximately \$57,400,000 (the General Partner's cost basis) was preliminarily allocated as follows (i) working capital of \$2,347,000 (ii) property, plant and equipment of \$47,863,000, and (iii) intangible assets of \$7,190,000. The transaction has been accounted for similar to purchase accounting and, accordingly, the results of operations of Vision have been included in the consolidated financial statements from the date of contribution.

The following pro forma financial information assumes the Vision transaction occurred at the beginning of each of the periods presented and also includes the pro forma effects of the Partnership formation as of August 1, 1993 (as described in Note F):

	Nine months ended April 30	
	1995	1994
	-----	-----
(unaudited; in thousands except per unit data)		
Total revenues	\$521,878	\$509,159
Net earnings	42,367	57,951
Net earnings per limited partner unit	1.36	1.86

I. During the nine months ended April 30, 1995, the Partnership made acquisitions and received contributions of businesses totaling \$68,735,000. This total consists of \$45,000,000 debt assumed (Note H), cash paid of \$17,135,000 and issuance of Partnership units of \$6,600,000.

J. On November 14, 1994, the Partnership filed Amendment No. 1 to Registration Statement on Form S-1 with the Securities and Exchange Commission to register 2,400,000 Common Units representing limited partner interests in the Partnership. The registration statement was declared effective November 15, 1994. The Common Units may be issued from time to time by the Partnership in exchange for other businesses, properties or securities in business combination transactions.

K. On December 14, 1994, the Partnership paid an initial cash distribution of \$0.65 per unit. This initial distribution covers the period from July 5, 1994, when the Partnership began operations, to October 31, 1994, the end of the first full fiscal quarter. The distribution was, accordingly, prorated. Additionally, on March 14, 1995, the Partnership paid a cash distribution of \$0.50 per unit for the quarter ended January 31, 1995. On May 19, 1995, the Partnership declared its third-quarter cash distribution of \$0.50 per unit, payable June 12, 1995.

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FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (in thousands)

ASSETS	April 30, 1995	July 31, 1994
- - - - -	- - - - -	- - - - -
	(unaudited)	
Current Assets:		
Cash and cash equivalents	\$17,029	\$ 14,535
Accounts and notes receivable, net	67,522	50,780
Inventories	31,973	43,562
Prepaid expenses and other current assets	3,533	2,042
	- - - - -	- - - - -
Total Current Assets	120,057	110,919
Property, plant and equipment, net	353,861	294,765
Intangible assets, net	66,701	63,291
Other assets, net	8,372	8,218
	- - - - -	- - - - -
Total Assets	\$548,991	\$477,193
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities:		
Accounts payable	\$ 46,392	\$ 46,368
Other current liabilities	28,168	26,603
Short-term borrowing	-	3,000
	- - - - -	- - - - -
Total Current Liabilities	74,560	75,971
Long-term debt	320,162	267,062
Other liabilities	11,743	11,528
Partners' Capital		
Limited partner	141,085	121,393
General partner	1,441	1,239
	- - - - -	- - - - -
Total Partners' Capital	142,526	122,632
	- - - - -	- - - - -
Total Liabilities and Partners' Capital	\$548,991	\$477,193
	=====	=====

See notes to consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS (in thousands) (unaudited)

Three Months Ended	Nine Months Ended
- - - - -	- - - - -

	April 30, 1995	April 30, 1994	April 30, 1995	April 30, 1994
	-----	-----	-----	-----
	(Predecessor)		(Predecessor)	
Revenues:				
Gas liquids and related product sales	\$162,821	\$140,606	\$483,290	\$430,401
Other	5,192	5,735	22,797	20,076
	-----	-----	-----	-----
Total revenues	168,013	146,341	506,087	450,477
	-----	-----	-----	-----
Costs and expenses:				
Cost of product sold	94,759	73,347	285,059	229,326
Operating	40,638	38,261	120,334	113,202
Depreciation and amortization	8,443	6,910	23,855	21,688
General and administrative	3,118	2,756	8,366	7,613
Vehicle leases	1,080	1,059	3,227	3,203
	-----	-----	-----	-----
Total costs and expenses	148,038	122,333	440,841	375,032
	-----	-----	-----	-----
Operating income	19,975	24,008	65,246	75,445
Interest expense	(8,221)	(14,409)	(23,536)	(44,233)
Interest income	433	1,098	947	2,791
Loss on disposal of assets	(126)	(478)	(429)	(888)
	-----	-----	-----	-----
Earnings before income taxes and extraordinary loss	12,061	10,219	42,228	33,115
Income tax provision	-	3,906	-	12,759
	-----	-----	-----	-----
Earnings before extraordinary loss	12,061	6,313	42,228	20,356
Loss on early extinguishment of debt, net of \$531 tax benefit	-	867	-	867
	-----	-----	-----	-----
Net earnings	\$12,061	\$5,446	\$42,228	\$19,489
	=====	=====	=====	=====

See notes to consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL (in thousands) (unaudited)

	Limited partner	General partner	Total partners' capital
	-----	-----	-----
Balance August 1, 1994	\$121,393	\$1,239	\$122,632
Contributed capital (note F)	7,226	74	7,300
Additions to capital in connection with acquisitions	6,666	69	6,735
Quarterly distributions	(36,001)	(368)	(36,369)
Net earnings	41,801	427	42,228
	-----	-----	-----
Balance April 30, 1995	\$141,085	\$1,441	\$142,526
	=====	=====	=====

See notes to consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands) (unaudited)

Nine Months Ended

	April 30, 1995	April 30, 1994 (Predecessor)
Cash Flows From Operating Activities:		
Net earnings	\$42,228	\$19,489
Reconciliation of net earnings to net cash from operating activities:		
Depreciation and amortization	23,855	21,688
Extraordinary loss	-	867
Other	2,283	4,127
Changes in operating assets and liabilities net of effects from business acquisitions:		
Accounts and notes receivable	(10,344)	(4,610)
Inventories	19,505	(6,129)
Prepaid expenses and other current assets	(1,143)	(1,374)
Accounts payable	(6,270)	1,320
Accrued interest expense	5,208	6,863
Other current liabilities	(9,776)	3,415
Other liabilities	(100)	(49)
Deferred income taxes	-	12,639
	-----	-----
Net cash provided by operating activities	65,446	58,246
	-----	-----
Cash Flows From Investing Activities:		
Business acquisitions	(17,135)	(2,385)
Capital expenditures	(13,273)	(5,945)
Proceeds from asset sales	1,093	643
Net short-term investment activity	-	(4,305)
Net additions to intangible assets and other assets	(637)	(333)
	-----	-----
Net cash used by investing activities	(29,952)	(12,325)
	-----	-----
Cash Flows From Financing Activities:		
Net reductions of short-term borrowing	(3,000)	-
Additions to long-term debt	60,000	-
Reductions of long-term debt	(53,750)	(13,336)
Distributions	(36,369)	-
Additional payments to retire debt	-	(1,190)
Additions to financing costs	-	(53)
Contribution from partners	135	-
Net advances to related party	-	(2,249)
Net advances to general partner and affiliate	(16)	(2,993)
	-----	-----
Net cash used by financing activities	(33,000)	(19,821)
	-----	-----
Increase in cash and cash equivalents	2,494	26,100
Cash and cash equivalents - beginning of period	14,535	32,706
	-----	-----
Cash and cash equivalents - end of period	\$17,029	\$58,806
	=====	=====
Cash paid for interest	\$17,153	\$35,062
	=====	=====

See notes to consolidated financial statements.

[FN]

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 1995 AND 1994
(unaudited)

A. Reference should be made to the Notes to Consolidated Financial Statements for the period ending July 31, 1994, (specifically Notes A and M regarding organization and formation and pro forma earnings) included in the Ferrellgas, L.P. and Subsidiaries (the "Operating Partnership") annual financial statements on Form 10-K filed with the SEC. The presentation of the financial statements has been changed to reflect the predecessor statements of earnings and cash flow on the face of

the financial statements and the pro forma earnings are contained in the notes thereto.

B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature. Certain expense reclassifications have been made to the prior year amounts to conform to the current year presentation. Such reclassifications had no effect on net earnings.

C. The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended April 30, 1995 and predecessor April 30, 1994, are not necessarily indicative of the results to be expected for a full year.

D. The Operating Partnership is threatened with or named as a defendant in various lawsuits which, among other items, claim damages for product liability. It is not possible to determine the ultimate disposition of these matters; however, after taking into consideration the Operating Partnership's insurance coverage and its existing reserves, management is of the opinion that there are no known uninsured claims or known contingent claims that are likely to have a material adverse effect on the results of operations or financial condition of the Operating Partnership.

In connection with the formation of the Operating Partnership, the General Partner contributed certain assets including customer relationships and customer tanks. The Internal Revenue Service ("IRS") has examined the General Partner's consolidated income tax returns for the years ended July 31, 1987 and 1986, and has proposed certain adjustments which relate to these contributed assets. The General Partner has reached a tentative settlement agreement with the IRS (pending final IRS approval) which may result in an additional capital contribution by the General Partner and an increase in the Operating Partnership's intangibles (to be amortized prospectively over the remaining life of the related assets). Such adjustments are not expected to be material to financial position or results of operations and will not impact the limited partners' tax basis in the Operating Partnership's units.

E. The accompanying pro forma consolidated statements of earnings for the three and nine months ended April 30, 1994, were derived from the historical statements of operations of the Predecessor and reflect the pro forma effects on the historical financial information as if the formation of the Partnership had occurred on August 1, 1993. Significant pro forma adjustments represent the elimination of income taxes under the Partnership structure and the net reduction of interest expense resulting from retirement of \$477,600,000 of indebtedness offset by the issuance of \$250,000,000 senior notes. The pro forma consolidated statements of earnings of the Partnership should be read in conjunction with the consolidated financial statements of the Partnership and the Predecessor and the notes thereto. The accompanying pro forma consolidated statements of earnings are for comparative purposes and are not necessarily indicative of the results of future operations of the Partnership:

	Pro Forma Periods Ended April 30, 1994	
	Three Months	Nine Months
	-----	-----
	(in thousands)	
Revenues:		
Gas liquids and related product sales	\$140,606	\$430,401
Other	5,735	20,076
	-----	-----
Total revenues	146,341	450,477
Costs and expenses:		
Cost of product sold	73,347	229,326

Operating	38,261	113,202
Depreciation and amortization	6,910	21,688
General and administrative	2,881	7,988
Vehicle leases	1,059	3,203
	-----	-----
Total costs and expenses	122,458	375,407
Operating income	23,883	75,070
Interest expense	(6,888)	(21,291)
Interest income	529	879
Loss on disposal of assets	(478)	(888)
	-----	-----
Earnings before extraordinary loss	\$17,046	\$53,770
	=====	=====

F. On November 1, 1994, the General Partner purchased all of the capital stock of Vision Energy Resources, Inc. ("Vision") for a cash purchase price of \$45 million. Immediately following the closing of the purchase of Vision, the General Partner (i) caused Vision and each of its subsidiaries to be merged into the General Partner (except for a trucking subsidiary which dividended substantially all of its assets to the General Partner) and (ii) contributed all of the assets of Vision and its subsidiaries to the Operating Partnership. As a result of the contribution, the Operating Partnership assumed substantially all of the liabilities, whether known or unknown, associated with Vision and its subsidiaries (excluding income tax liabilities), including obligations of the General Partner under a \$45,000,000 loan agreement under which the General Partner borrowed funds to pay the purchase price for Vision. The Operating Partnership repaid the loan immediately after the transfer of assets with funds borrowed under its Credit Facility. In consideration of the retention by the General Partner of certain income tax liabilities, the Partnership issued 138,392 Common Units to the General Partner. The Operating Partnership received a contribution of \$7,300,000 from the General Partner, representing the excess of the value of the assets over the liabilities conveyed and the units issued to the General Partner. This contribution is allocated to each partner based on their relative ownership percentages following the closing of the Vision acquisition. The total assets contributed to the Operating Partnership of approximately \$57,400,000 (the General Partner's cost basis) was preliminarily allocated as follows (i) working capital of \$2,347,000 (ii) property, plant and equipment of \$47,863,000, and (iii) intangible assets of \$7,190,000. The transaction has been accounted for similar to purchase accounting and, accordingly, the results of operations of Vision have been included in the consolidated financial statements from the date of contribution.

The following pro forma financial information assumes the Vision transaction occurred at the beginning of each of the periods presented and also includes the pro forma effects of the Operating Partnership formation as of August 1, 1993 (as described in Note E):

	Nine months ended April 30	
	-----	-----
	1995	1994
	-----	-----
	(unaudited; in thousands)	
Total revenues	\$521,878	\$509,159
Net earnings	42,799	58,542

G. During the nine months ended April 30, 1995, the Operating Partnership made acquisitions and received contributions of businesses totaling \$68,735,000. This total consists of \$45,000,000 debt assumed (Note F), cash paid of \$17,135,000 and contribution from the Partnership of \$6,600,000 in connection with the issuance of units for businesses.

H. On December 14, 1994, the Operating Partnership paid an initial cash distribution of \$20,556,000 for the period from July 5, 1994, when the Partnership

began operations, to October 31, 1994, the end of the first full fiscal quarter. Additionally, on March 14, 1995, the Operating Partnership paid a cash distribution of \$15,813,000 for the quarter ended January 31, 1995. On May 19, 1995, the Operating Partnership declared its third-quarter cash distribution of \$15,813,000, payable June 12, 1995.

[/FN]

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000922358
FERRELLGAS PARTNERS, L.P.
1,000
U S DOLLARS

9-MOS	
	JUL-31-1995
	AUG-01-1994
	APR-30-1995
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	17,029
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	68,840
	1,318
	31,973
	120,057
	525,497
	171,636
	548,991
74,561	
	320,162
	198,535
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548,991	
	483,290
	506,087
	285,059
	432,476
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	23,536
	42,227
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41,800	
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	41,800
	1.34
	1.34

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BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000922359
FERRELLGAS, L.P.
1,000
U S DOLLARS

9-MOS	
	JUL-31-1995
	AUG-01-1994
	APR-30-1995
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	17,029
	0
	68,840
	1,318
	31,973
	120,057
	525,497
	171,636
	548,991
74,560	
	320,162
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	483,290
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	285,059
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