

Green Plains Renewable Energy, Inc.

Form 10-Q

August 03, 2010

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**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 June 30, 2010**

**Commission File Number 001-32924**

**GREEN PLAINS RENEWABLE ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**Iowa**  
(State or other jurisdiction of

**84-1652107**  
(I.R.S. Employer

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incorporation or organization)

Identification No.)

**9420 Underwood Avenue, Suite 100 Omaha, NE 68114**  
(Address of principal executive offices, including zip code)

**(402) 884-8700**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has 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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The number of shares of common stock, par value \$0.001 per share, outstanding as of July 30, 2010 was 31,369,185 shares.

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**Table of Contents****GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(in thousands, except share amounts)

	June 30, 2010 (unaudited)	December 31, 2009
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 172,996	\$ 89,779
Restricted cash	7,923	12,554
Accounts receivable, net of allowances of \$78 and \$119, and including amounts from related parties of \$1,314 and \$2,311, respectively	65,170	44,637
Inventories	73,695	81,558
Prepaid expenses and other	5,845	7,574
Deferred income taxes	13,648	
Deposits	9,813	14,752
Derivative financial instruments	7,611	1,592
Total current assets	356,701	252,446
Property and equipment, net of accumulated depreciation of \$56,035 and \$38,730, respectively	602,957	596,235
Investment in unconsolidated subsidiaries	1,949	2,272
Goodwill	14,543	14,543
Financing costs and other, net	12,950	12,585
Total assets	\$ 989,100	\$ 878,081
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities		
Accounts payable, including amounts to related parties of \$0 and \$652, respectively	\$ 64,511	\$ 70,246
Accrued liabilities	14,790	24,052
Unearned revenue	4,482	9,535
Derivative financial instruments	9,652	2,109
Current maturities of long-term debt	58,437	68,390
Total current liabilities	151,872	174,332
Long-term debt	396,192	388,573
Deferred income taxes	20,426	
Other liabilities	4,384	4,468
Total liabilities	572,874	567,373
Stockholders equity		
Common stock, \$0.001 par value; 50,000,000 shares authorized; 31,369,185 and 24,957,378 shares issued and outstanding, respectively	31	25
Additional paid-in capital	373,192	292,231
Retained earnings	33,591	9,331
Accumulated other comprehensive income (loss)	54	(123)
Total Green Plains stockholders equity	406,868	301,464
Noncontrolling interests	9,358	9,244

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Total stockholders' equity	416,226	310,708
Total liabilities and stockholders' equity	\$ 989,100	\$ 878,081

See accompanying notes to the consolidated financial statements.

**Table of Contents****GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited and in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues	\$ 453,359	\$ 284,655	\$ 879,833	\$ 505,737
Cost of goods sold	422,687	269,772	811,687	488,975
Gross profit	30,672	14,883	68,146	16,762
Selling, general and administrative expenses	13,597	10,706	26,566	19,765
Operating income (loss)	17,075	4,177	41,580	(3,003)
Other income (expense)				
Interest income	99	53	126	127
Interest expense	(5,659)	(3,830)	(10,315)	(6,344)
Other, net	(110)	173	(110)	507
Total other expense	(5,670)	(3,604)	(10,299)	(5,710)
Income (loss) before income taxes	11,405	573	31,281	(8,713)
Income tax expense	2,517		6,907	
Net income (loss)	8,888	573	24,374	(8,713)
Net (income) loss attributable to noncontrolling interests	(204)	54	(114)	(1)
Net income (loss) attributable to Green Plains	\$ 8,684	\$ 627	\$ 24,260	\$ (8,714)
Earnings (loss) per share:				
Income (loss) attributable to Green Plains stockholders - basic	\$ 0.28	\$ 0.03	\$ 0.84	\$ (0.35)
Income (loss) attributable to Green Plains stockholders - diluted	\$ 0.27	\$ 0.03	\$ 0.83	\$ (0.35)
Weighted average shares outstanding:				
Basic	31,359	24,941	28,956	24,903
Diluted	31,678	24,944	29,302	24,903

See accompanying notes to the consolidated financial statements.

**Table of Contents****GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(unaudited and in thousands)**

	<b>Six Months Ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 24,374	\$ (8,713)
<b>Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation and amortization	17,873	12,995
Deferred income taxes	6,609	
Stock-based compensation expense	1,728	523
Undistributed equity in loss of affiliates	323	20
Allowance for doubtful accounts		400
<b>Changes in operating assets and liabilities before effects of business combinations:</b>		
Accounts receivable	(19,067)	6,513
Inventories	15,342	(17,708)
Deposits	4,939	(2,682)
Unrealized (gains) losses on derivative financial instruments	(166)	1,463
Prepaid expenses and other assets	1,808	7,728
Accounts payable and accrued liabilities	(15,166)	(15,166)
Unearned revenues	(5,053)	10,938
Other	(1,004)	(411)
<b>Net cash provided (used) by operating activities</b>	<b>32,540</b>	<b>(4,100)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(4,971)	(3,185)
Acquisition of businesses, net of cash acquired	(22,388)	(3,220)
Other		(255)
<b>Net cash used by investing activities</b>	<b>(27,359)</b>	<b>(6,660)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the issuance of long-term debt	22,683	1,134
Payments of principal on long-term debt	(29,646)	(14,111)
Proceeds from revolving debt	905,749	46,316
Payments on revolving debt	(904,379)	(34,288)
Proceeds from issuance of common stock	79,743	
Change in restricted cash	4,631	230
Payments of loan fees	(847)	(1,776)
Other	102	40
<b>Net cash provided by (used in) financing activities</b>	<b>78,036</b>	<b>(2,455)</b>
<b>Net change in cash and equivalents</b>	<b>83,217</b>	<b>(13,215)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>89,779</b>	