

FutureFuel Corp.
Form 10-Q
November 13, 2008

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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____

Commission file number: 0-52577

FUTUREFUEL CORP.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

20-3340900
(IRS Employer Identification
No.)

8235 Forsyth Blvd., Suite 400
St. Louis, Missouri 63105
(Address of Principal Executive Offices)

(314) 854-8520
(Registrant's Telephone Number)

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of November 13, 2008:
28,150,500

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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. (Check one):

Large accelerated filer

Non-accelerated filer ☒

Accelerated filer

Smaller reporting company

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

The following sets forth our unaudited consolidated balance sheet as at September 30, 2008 and our audited consolidated balance sheet as at December 31, 2007, the unaudited consolidated statements of operations and comprehensive income for the three- and nine-month periods ended September 30, 2008 and September 30, 2007, and the unaudited consolidated statements of cash flow for the nine-month periods ended September 30, 2008 and September 30, 2007.

FutureFuel Corp.
Consolidated Balance Sheets
As at September 30, 2008 and December 31, 2007
(Dollars in thousands)

	(Unaudited) September 30, 2008	December 31, 2007
Assets		
Cash and cash equivalents	\$ 27,427	\$ 54,655
Accounts receivable, net of allowances for doubtful accounts of \$0 at September 30, 2008 and \$42 at December 31, 2007	20,379	17,514
Inventory	25,242	24,192
Income taxes receivable	1,126	-
Prepaid expenses	335	1,200
Marketable debt and auction rate securities	57,519	15,086
Other current assets	1,212	541
Total current assets	133,240	113,188
Property, plant and equipment, net	104,756	95,036
Restricted cash and cash equivalents	-	3,263
Intangible assets	349	435
Other assets	3,148	4,191
Total noncurrent assets	108,253	102,925
Total Assets	\$ 241,493	\$ 216,113
Liabilities and Stockholders' Equity		
Accounts payable	\$ 14,209	\$ 12,622
Accounts payable – related parties	471	121
Income taxes payable	-	1,231
Current deferred income tax liability	4,105	4,597
Short term contingent consideration	400	197
Line of credit	343	-
Accrued expense and other current liabilities	4,139	3,370
Total current liabilities	23,667	22,138
Long term contingent consideration	1,569	1,989
Deferred revenue	9,032	1,571
Other noncurrent liabilities	1,221	1,126
Noncurrent deferred income tax liability	20,953	19,667
Total noncurrent liabilities	32,775	24,353
Total Liabilities	56,442	46,491
Commitments and contingencies		

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Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$0.0001 par value, 75,000,000 shares authorized, 26,835,000 issued and outstanding at September 30, 2008 and 26,700,000 issued and outstanding at December 31, 2007	3	3
Accumulated other comprehensive income	-	58
Additional paid in capital	159,461	158,436
Retained earnings	25,587	11,125
Total stockholders' equity	185,051	169,622
Total Liabilities and Stockholders' Equity	\$ 241,493	\$ 216,113

The accompanying notes are an integral part of these financial statements.

FutureFuel Corp.
Consolidated Statements of Operations and Comprehensive Income
For the Three Months Ended September 30, 2008 and 2007
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,	
	2008	2007
Revenues	\$ 57,183	\$ 46,558
Revenues – related parties	3,402	-
Cost of goods sold	44,611	38,787
Cost of goods sold – related parties	3,950	451
Distribution	1,144	435
Gross profit	10,880	6,885
Selling, general and administrative expenses		
Compensation expense	652	926
Formation expense	-	43
Other expense	385	321
Related party expense	38	11
Research and development expenses	1,079	946
	2,154	2,247
Income from operations	8,726	4,638
Interest income	671	877
Interest expense	(6)	(5)
Gain (loss) on foreign currency	(89)	2
Loss on sale of marketable debt securities	(460)	-
	116	874
Income before income taxes	8,842	5,512
Provision for income taxes	3,453	2,169
Net income	\$ 5,389	\$ 3,343
Earnings per common share		
Basic	\$	