

GLOBAL PARTNERS LP  
Form 10-Q  
May 07, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 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 March 31, 2010

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 001-32593

**Global Partners LP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation

or organization)

**74-3140887**  
(I.R.S. Employer Identification No.)

Edgar Filing: GLOBAL PARTNERS LP - Form 10-Q

**P.O. Box 9161**

**800 South Street**

**Waltham, Massachusetts 02454-9161**

(Address of principal executive offices, including zip code)

**(781) 894-8800**

(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 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   
(Do not check if a 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 issuer had 11,338,139 common units and 5,642,424 subordinated units outstanding as of May 3, 2010.

---

TABLE OF CONTENTS

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

Consolidated Balance Sheets as of March 31, 2010 and December 31, 2009

Consolidated Statements of Income for the three months ended March 31, 2010 and 2009

Consolidated Statements of Cash Flows for the three months ended March 31, 2010 and 2009

Consolidated Statements of Partners' Equity for the three months ended March 31, 2010

Notes to Consolidated Financial Statements

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

**Item 4. Controls and Procedures**

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

**Item 1A. Risk Factors**

**Item 6. Exhibits**

**SIGNATURES**

**INDEX TO EXHIBITS**

---

## Item 1. Financial Statements

**GLOBAL PARTNERS LP**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands, except unit data)

(Unaudited)

|   | March 31,<br>2010 | December 31,<br>2009 |
|---|-------------------|----------------------|
| <b>Assets</b>   |                   |                      |
| Current assets:   |                   |                      |
| Cash and cash equivalents   | \$ 750            | \$ 662               |
| Accounts receivable, net  | 268,347           | 335,912              |
| Accounts receivable - affiliates  | 4,222             | 1,565                |
| Inventories   | 443,259           | 465,923              |
| Brokerage margin deposits   | 10,301            | 18,059               |
| Fair value of forward fixed price contracts   | 12,730            | 3,089                |
| Prepaid expenses and other current assets   | 35,193            | 37,648               |
| Total current assets  | 774,802           | 862,858              |
| Property and equipment, net   | 158,236           | 159,292              |
| Intangible assets, net  | 27,866            | 28,557               |
| Other assets  | 1,431             | 1,996                |
| Total assets  | \$ 962,335        | \$ 1,052,703         |
| <b>Liabilities and partners' equity</b>   |                   |                      |
| Current liabilities:  |                   |                      |
| Accounts payable  | \$ 187,648        | \$ 243,449           |
| Working capital revolving credit facility - current portion   | 109,788           | 221,711              |
| Environmental liabilities - current portion   | 3,296             | 3,296                |
| Accrued expenses and other current liabilities  | 73,802            | 77,604               |
| Income taxes payable  | 128               | 461                  |
| Obligations on forward fixed price contracts and other derivatives  | 19,380            | 21,114               |
| Total current liabilities   | 394,042           | 567,635              |
| Working capital revolving credit facility - less current portion  | 231,412           | 240,889              |
| Acquisition facility  | 71,200            | 71,200               |
| Environmental liabilities - less current portion  | 2,200             | 2,254                |
| Accrued pension benefit cost  | 2,395             | 2,751                |
| Deferred compensation   | 1,946             | 1,840                |
| Other long-term liabilities   | 10,767            | 8,714                |
| Total liabilities   | 713,962           | 895,283              |
| <b>Partners' equity</b>   |                   |                      |
| Common unitholders (11,338,139 units issued and 11,274,695 outstanding at March 31, 2010 and 7,428,139 units issued and 7,380,996 outstanding at December 31, 2009) | 254,692           | 165,129              |
| Subordinated unitholders (5,642,424 units issued and outstanding at March 31, 2010 and December 31, 2009)   | 2,651             | (713)                |
| General partner interest (230,303 equivalent units outstanding at March 31, 2010 and December 31, 2009)   | 108               | (29)                 |

Edgar Filing: GLOBAL PARTNERS LP - Form 10-Q

|  |    |         |    |           |
|--|----|---------|----|-----------|
| Accumulated other comprehensive loss   |    | (9,078) |    | (6,967)   |
| Total partners' equity                 |    | 248,373 |    | 157,420   |
| Total liabilities and partners' equity | \$ | 962,335 | \$ | 1,052,703 |

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



**GLOBAL PARTNERS LP**

**CONSOLIDATED STATEMENTS OF INCOME**

(In thousands, except per unit data)



**(Unaudited)**

Edgar Filing: GLOBAL PARTNERS LP - Form 10-Q

|  | <b>Three Months Ended</b> |              |
|--|---------------------------|--------------|
|  | <b>March 31,</b>          |              |
|  | <b>2010</b>               | <b>2009</b>  |
| Sales  | \$ 1,962,384              | \$ 1,632,955 |
| Cost of sales                                | 1,916,977                 | 1,582,241    |
| Gross profit                                 | 45,407                    | 50,714       |
| Costs and operating expenses:                |                           |              |
| Selling, general and administrative expenses | 16,578                    | 18,075       |
| Operating expenses                           | 8,659                     | 8,475        |
| Amortization expenses                        | 691                       | 800          |
| Total costs and operating expenses           | 25,928                    | 27,350       |