

Bonanza BioEnergy LLC

For the month ending 09/30/12

	Current	Prior Month	Prior Year
ASSETS			
Current Assets			
Cash & Equivalents	\$1,944,562.35	\$5,627,923.80	\$13,707,203.91
Accounts Receivable - Trade	2,549,374.87	3,048,311.87	9,852,907.13
Accounts Receivable - Other	3,941,668.35	1,853,984.90	0.00
Accounts Receivable - Allowance for Bad Debt	(113,590.75)	(113,590.75)	(107,829.43)
Total Accounts Receivable	6,377,452.47	4,788,706.02	9,745,077.70
Inventory - Corn	531,467.56	1,159,594.81	281,661.51
Inventory - Sorghum	602,917.18	1,122,297.61	920,181.56
Inventory - Chem, Enzymes & Yeast	250,479.60	331,107.26	257,481.22
Inventory - Denaturant	193,439.15	163,368.41	176,416.60
Inventory - Work In Process	1,509,872.82	1,558,369.66	1,785,084.00
Inventory - Spare Parts	487,248.61	502,392.54	397,623.33
Inventory - Ethanol	2,256,372.22	1,164,558.10	1,080,688.35
Inventory - DDG	0.00	0.00	0.00
Inventory - DWG	92,072.28	38,954.60	45,162.00
LIFO Reserve	(815,042.78)	(815,042.78)	0.00
Total Inventory	5,108,826.64	5,225,600.21	4,944,298.57
Prepays	130,345.01	167,190.23	134,995.59
Hedging Accounts at Market	2,721,019.13	2,692,650.36	1,757,692.68
Total Other Current Assets	2,851,364.14	2,859,840.59	1,892,688.27
Total Current Assets	16,282,205.60	18,502,070.62	30,289,268.45
PPE-Land and Buildings - Net	14,408,718.55	14,488,271.17	17,438,996.70
PPE-Machinery and Equipment - Net	41,846,121.00	42,202,309.17	43,922,794.45
PPE-Office, Computers and Software - Net	8,110.43	8,280.13	21,231.05
PPE-Vehicles - Net	4,958.48	5,100.14	6,658.40
Total Property, Plant and Equip - Net	56,267,908.46	56,703,960.61	61,389,680.60
Other Assets	366,738.85	372,602.03	1,129,919.16
Investment in Conestoga	1,852,031.38	1,561,011.37	1,307,436.40
Investment in Farm Credit Services	1,000.00	1,000.00	1,000.00
Total Other Assets	2,219,770.23	1,934,613.40	2,438,355.56
TOTAL ASSETS	74,769,884.29	77,140,644.63	94,117,304.61
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable	1,225,953.81	1,774,728.10	1,098,251.55
Accruals	1,189,021.53	956,827.43	3,050,301.97
Current Maturities of Senior Debt (Incl Sweeps)	5,068,620.00	5,068,620.00	5,068,620.00
Current Maturities of Sub Debt	285,714.29	285,714.29	285,714.29
Total Current Liabilities	7,769,309.63	8,085,889.82	9,502,887.81
Long Term Senior Debt	16,672,330.86	17,094,715.86	23,740,950.86
Long Term Sub-Debt	1,285,714.26	1,285,714.26	1,571,428.56
Total Liabilities	25,727,354.75	26,466,319.94	34,815,267.23
Equity	31,144,164.50	31,144,164.50	37,322,064.50
Retained Earnings	24,054,064.87	24,054,064.87	5,310,297.54
Current Year Income	(6,155,699.83)	(4,523,904.68)	16,669,675.34
TOTAL LIABILITIES & EQUITY	74,769,884.29	77,140,644.63	94,117,304.61

Bonanza BioEnergy
Budget vs Actual
For the quarter ending 09/30/12

Description	Q3 Budget		Q3 Actual		Variance		YTD Budget		YTD Actual		Variance	
	Q3 Budget	Per Gal	Q3 Actual	Per Gal	Variance	Per Gal	YTD Budget	Per Gal	YTD Actual	Per Gal	Variance	Per Gal
Gallons Sold	14,344,000	1.000	13,932,761	1.000	(411,239)	1.000	43,358,000	1.000	42,199,126	1.000	(1,158,874)	1.000
Revenues												
Ethanol	42,314,800.00	2.950	33,717,833.23	2.420	(8,596,966.77)	-0.530	117,037,260.00	2.536	95,472,955.55	2.262	(21,564,304.45)	-0.274
DDGS	0.00	0.000	9,024.86	0.001	9,024.86	0.001	0.00	0.019	28,881.14	0.001	28,881.14	-0.018
WDGS	9,391,755.00	0.655	10,043,580.23	0.721	651,825.23	0.066	27,284,763.00	0.609	26,808,353.80	0.635	(476,409.20)	0.026
Other	530,000.00	0.037	664,002.65	0.048	134,002.65	0.011	590,000.00	0.006	785,503.06	0.019	195,503.06	0.013
Total Revenue	52,236,555.00	3.642	44,434,440.97	3.189	(7,802,114.03)	-0.452	144,912,023.00	3.342	123,095,693.55	2.917	(21,816,329.45)	-0.425
COGS												
Feedstock												
Total Grain	40,277,536.00	2.808	40,639,472.13	2.917	361,936.13	0.109	117,106,712.00	2.728	110,190,213.61	2.611	(6,916,498.39)	-0.117
Natural Gas	1,217,220.00	0.085	721,814.88	0.052	(495,405.12)	-0.033	3,651,660.00	0.081	2,154,796.07	0.051	(1,496,863.93)	-0.030
Denaturant	597,069.00	0.042	645,487.35	0.046	48,418.35	0.005	1,739,497.00	0.000	2,131,488.82	0.051	391,991.82	0.051
Chemicals												
Fuel	0.00	0.000	33,036.64	0.002	33,036.64	0.002	0.00	0.000	56,347.86	0.001	56,347.86	0.001
ABS	0.00	0.000	11,700.87	0.001	11,700.87	0.001	0.00	0.000	34,211.62	0.001	34,211.62	0.001
Chemicals	10,173.00	0.001	36,425.23	0.003	26,252.23	0.002	30,750.00	0.001	111,371.58	0.003	80,621.58	0.002
Urea	123,177.00	0.009	109,756.05	0.008	(13,420.95)	-0.001	372,331.00	0.008	397,229.82	0.009	24,898.82	0.002
Antibiotics	32,419.00	0.002	80,705.27	0.006	48,286.27	0.004	97,993.00	0.006	160,355.27	0.004	62,362.27	-0.002
Yeast	40,169.00	0.003	30,336.24	0.002	(9,832.76)	-0.001	121,419.00	0.002	108,647.84	0.003	(12,771.16)	0.000
Ammonia	76,249.00	0.005	46,264.97	0.003	(29,984.03)	-0.002	230,479.00	0.001	97,235.60	0.002	(133,243.40)	0.001
Sulfuric Acid	62,140.00	0.004	37,651.45	0.003	(24,488.55)	-0.002	187,832.00	0.002	154,569.61	0.004	(33,262.39)	0.002
Caustic	66,994.00	0.005	72,428.03	0.005	5,434.03	0.001	202,504.00	0.007	210,316.90	0.005	7,812.90	-0.002
Enzymes	615,267.00	0.043	552,138.33	0.040	(63,128.67)	-0.003	1,859,581.00	0.050	1,657,978.22	0.039	(201,602.78)	-0.010
Total Chemicals	1,026,588.00	0.072	1,010,443.08	0.073	(16,144.92)	0.001	3,102,889.00	0.076	2,988,264.32	0.071	(114,624.68)	-0.005
Water	108,000.00	0.008	129,088.04	0.009	21,088.04	0.002	324,000.00	0.004	343,615.69	0.008	19,615.69	0.004
Electricity	510,000.00	0.036	557,707.28	0.040	47,707.28	0.004	1,530,000.00	0.029	1,672,122.06	0.040	142,122.06	0.011
Total COGS	43,736,413.00	3.049	43,704,012.76	3.137	(32,400.24)	0.088	127,454,758.00	2.940	119,480,500.57	2.831	(7,974,257.43)	-0.108
Gross Profit	8,500,142.00	0.253	730,428.21	0.052	(7,769,713.79)	-0.201	17,457,265.00	0.403	3,615,192.98	0.086	(13,842,072.02)	-0.317
Labor	475,725.00	0.033	418,283.61	0.030	(57,441.39)	-0.003	1,427,175.00	0.025	1,296,513.39	0.031	(130,661.61)	0.005
Management Fees	499,125.00	0.035	499,125.00	0.036	0.00	0.001	1,497,375.00	0.018	1,497,375.00	0.035	0.00	0.018
Operations and Maintenance	580,800.00	0.040	414,550.64	0.030	(166,249.36)	-0.011	1,648,400.00	0.032	1,338,279.20	0.032	(310,120.80)	0.000
Other Plant Fixed Costs	75,000.00	0.005	182,271.98	0.013	107,271.98	0.008	225,000.00	0.004	467,680.93	0.011	242,680.93	0.007
License Fees and Insurance	230,832.00	0.016	193,022.52	0.014	(37,809.48)	-0.002	692,496.00	0.011	821,960.02	0.019	129,464.02	0.008
Bank Fees	24,000.00	0.002	11,236.93	0.001	(12,763.07)	-0.001	72,000.00	0.001	77,579.45	0.002	5,579.45	0.001
Property Tax	120,375.00	0.008	135,000.00	0.010	14,625.00	0.001	361,125.00	0.001	405,000.00	0.010	43,875.00	0.009
Depreciation	1,244,946.00	0.087	1,304,364.70	0.094	59,418.70	0.007	3,703,291.00	0.098	3,915,108.89	0.093	211,817.89	-0.005
Amortization	17,589.00	0.001	17,590.14	0.001	1.14	0.000	52,767.00	0.011	52,771.02	0.001	4.02	-0.010
Bad Debt Reserve	23,478.00	0.002	(16,528.35)	-0.001	(40,006.35)	-0.003	68,208.00	0.002	(24,590.43)	-0.001	(92,798.43)	-0.002
Total Fixed Costs - Operation	3,291,870.00	0.229	3,158,917.17	0.227	(132,952.83)	-0.003	9,747,837.00	0.225	9,847,677.47	0.233	99,840.47	0.009
EBIT	5,208,272.00	0.363	(2,428,488.96)	-0.174	(7,636,760.96)	-0.537	7,709,428.00	0.178	(6,232,484.49)	-0.148	(13,941,912.49)	-0.326
Interest/Other Income	0.00	0.000	563,035.45	0.000	563,035.45	0.000	0.00	0.000	983,824.85	0.000	983,824.85	0.000
Interest Expense	126,435.00	0.009	257,983.67	0.000	131,548.67	-0.009	384,951.00	0.000	907,040.19	0.000	522,089.19	0.000
Net Income	5,081,837.00	0.008	(2,123,437.18)	-0.152	(7,205,274.18)	-0.161	7,324,477.00	0.169	(6,155,699.83)	-0.146	(13,480,176.83)	-0.315
EBITDA	6,470,807.00	0.167	(543,498.67)	-0.039	(7,014,305.67)	-0.206	11,465,486.00	0.264	(1,280,779.73)	-0.030	(12,746,265.73)	-0.295
EBITDA - Debt Service	5,375,302.01	0.085	(2,068,637.34)	-0.148	(7,443,939.35)	-0.233	8,173,325.03	0.189	(5,095,029.89)	-0.121	(13,268,354.92)	-0.309

Bonanza Analytics
('000's)

	YE 2009	YE 2010	Q3 2011	Q3 2012
Revenue	112,837.77	120,694.42	54,672.34	44,434.44
Gross Profit	20,742.79	20,146.50	14,292.54	730.43
Net Profit	7,651.73	6,204.67	10,854.56	(2,123.44)
EBITDA	15,159.99	13,479.31	12,517.78	(543.50)
EBITDA - Debt Service	10,072.23	5,844.07	10,873.77	(2,068.64)
Senior Debt / Gallon	\$ 0.74	\$ 0.64	\$ 0.52	\$ 0.40

Debt Analytics
('000's)

	YE 2009	YE 2010	Q3 2011	Q3 2012
Senior Debt	33,480.34	28,411.72	23,740.95	16,672.33
Current Maturities of Senior Debt	7,068.62	6,646.24	5,068.62	5,068.62

Bonanza BioEnergy, LLC
Cash Flow Statement
For the month ending 09/30/12

Beginning Cash (Prior Month)	\$ 4,850,069.27
Ending Cash (Current Month)	\$ 1,944,562.35
Net Income	(2,123,437.18)
Depreciation	1,304,364.70
<i>Changes in Working Capital</i>	
Accounts Receivable	(606,843.32)
Inventory	(243,722.70)
Prepaid & Commodity	1,200,796.86
Other Assets	(576,195.93)
Accounts Payable	(542,469.66)
CMLTD - Sub Debt	0.00
CMLTD - Sr. Debt	0.00
Total	<u>(768,434.75)</u>
Operating Activities	(1,587,507.23)
<i>Investing Activities</i>	
Acquisition of Assets	-
Sale of Assets	<u>20,583.89</u>
Investing Activities	20,583.89
<i>Financing Activities</i>	
Proceeds from Long Term Debt	
Debt Repayment	(1,338,583.58)
Dividend	<u>0.00</u>
Financing Activities	(1,338,583.58)
Net Change in Cash	(2,905,506.92)

Debt Disclosure
('000's)

For the Three Months Ended
9/30/2012

	<u>2012</u>	<u>2011</u>
Revolver	-	-
Sub Debt	1,571.43	1,857.14
Senior Debt	<u>21,740.95</u>	<u>28,809.57</u>
Total Long-Term Debt	<u>23,312.38</u>	<u>30,666.71</u>

Debt Terms

- Revolver: LIBOR + 3.35% with a 5% floor; \$0 outstanding
- Senior Debt: \$23,312 outstanding at LIBOR + 3.35%; 5% floor; \$4.8M annual amortization + \$2M cash sweep (\$7M max over the life of the loan)
- Sub debt: 7.5% interest paid quarterly

Amounts of LT debt due in each of the next 5 years (in thousands):

Years Ended	
<u>December 31,</u>	<u>Amount</u>
2012	5,069
2013	5,069
2014	5,069
2015	5,069
2016	1,466
Thereafter	-
Total	<u><u>21,741</u></u>

**3 Months Ended
9/30/2012**

Per Unit Information

Total Units Outstanding:

EBITDA

Debt

Cash

	2012	2011	Change
Total Units Outstanding:	20,593	20,593	-
EBITDA	\$ (26.39)	\$ 607.87	(634)
Debt	\$ 1,132.05	\$ 1,489.18	(357)
Cash	\$ 94.43	\$ 665.62	(571)

Per Gallon Information

Total Gallons Sold (000's):

EBITDA

Debt

Cash

	2012	2011	Change
Total Gallons Sold (000's):	13,933	14,385	(453)
EBITDA	\$ (39.01)	\$ 870.17	(909)
Debt	\$ 1,673.21	\$ 2,131.80	(459)
Cash	\$ 139.57	\$ 952.86	(813)

Key Production Indicators

	For the Three Months Ended		
	September 30,		
	2012	2011	Change
Gallons sold (in thousands)	13,933	14,385	(452.62)
Average sales price per gallon (net)	\$ 2.39	\$ 2.94	\$ (0.55)
Corn cost per bushel	\$ 8.14	\$ 7.16	\$ 0.98
Crush margin	\$ (0.58)	\$ 0.38	(0.95)
Denatured yield (2.25% denaturant added)	2.75	2.80	(0.05)
Distiller's grain as a % of the delivered cost of corn	25%	27%	-2%