Zacks Small-Cap Research

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Ian Gilson, PhD, MBA, CFA
www.zacks.com

111 North Canal Street, Chicago, IL 60606

FutureFuel Corp. (FF-NYSE)

FF: Initiation of coverage with an outperform rating.

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	09/28/2011
Current Price (09/28/11)	$10.74
Six- Month Target Price	**$16.00**

OUTLOOK

FutureFuel is a profitable manufacturer and seller of specialty chemicals. It produces biofuels and provides custom chemical manufacturing services. The company also operates a granary in central Arkansas that buys and sells soybeans, rice corn and other agricultural commodities.

We are initiating coverage with an Outperform rating and a price target of $16.00.

SUMMARY DATA

52-Week Closing High	**$13.69**
52-Week Closing Low	**$9.91**
One-Year Return (%)	**N/A**
Beta	**0.03**
Average Daily Volume (sh)	**43,908**
Shares Outstanding (mil)	**40.4**
Market Capitalization ($mil)	**$447**
Short Interest Ratio (days)	**11.29**
Institutional Ownership (%)	**33**
Insider Ownership (%)	**53**
Annual Cash Dividend	**$0.40**
Dividend Yield (%)	**3.70**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**16.5**
P/E using 2011 Estimate	**21.8**
P/E using 2012 Estimate	**12.0**

Risk Level	**N/A,**
Type of Stock	**N/A**
Industry	**Specialty Chemicals**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2009	**$39.7 A**	**$41.8 A**	**$52.3 A**	**$62.9 A**	**$196.7 A**
2010	**$47.8 A**	**$51.7 A**	**$66.1 A**	**$53.5 A**	**$219.1 A**
2011	**$55.2 A**	**$74.7 A**	**$65.0 E**	**$40.0 E**	**$235.0 E**
2012	**$57.0 E**	**$80.0 E**	**$95.0 E**	**$70.0 E**	**$302.0 E**

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2009	**$0.10A**	**$0.10A**	**$0.25A**	**$0.13A**	**$0.58A**
2010	**$0.19A**	**$0.07A**	**$0.16A**	**$0.20A**	**$0.62A**
2011	**$0.07A**	**$0.22A**	**$0.16E**	**$0.05E**	**$0.49E**
2012	**$0.15E**	**$0.28E**	**$0.34E**	**$0.13E**	**$0.90E**

Zacks Projected EPS Growth Rate - Next 5 Years % **20**

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KEY POINTS

- In the second quarter of 2011 Proctor & Gamble informed the company that it would reduce the quantities of bleach activator purchased from FutureFuels. This could have a significant impact on the company's revenue and earnings.
- Production of chemical intermediates for the production of a post emergent herbicide may be impacted by generic competition.
- The sale of bio fuels are dependent on government subsidies. The loss of these subsidies would have a material effect on revenue and profits.
- Other specialty chemicals are growing and will probably be the largest segment of revenue in 2011 and beyond.
- On August 9, 2011 the company reported second quarter 2011 results. Although Chemicals revenue declined from the first quarter and from year ago levels, biofuel revenue was an all-time high. Net income was a record $8.4 million.

Dollars in millions.		1Q10	2Q10	3Q10	4Q10		1Q11	2Q11
Chemicals revenue		$43.6	$40.3	$47.9	$47.1		$44.7	$36.1
Gross profit		$9.2	$8.7	$13.3	$21.0		$7.8	$7.1
Biofuels		$4.2	$11.5	$18.9	$6.4		$10.5	$37.9
Gross profit		-$1.3	-$2.4	-$1.4	-$5.8		-$2.8	$8.4
Total gross profit		$7.9	$6.3	$11.9	$15.2		$5.0	$15.4
Corporate expenses		$2.2	$2.1	$2.3	$2.6		$1.8	$2.8
Pretax income		$5.8	$4.5	$10.0	$13.9		$4.0	$13.4
Net income		$5.8	$2.8	$6.6	$8.0		$2.7	$8.4

OVERVIEW

FutureFuel Corp. was formed in October 2006 when the shareholders of Viceroy Acquisition Corp. approved the acquisition of Eastman SE, Inc. from Eastman Chemical Company. The name of the company was changed to FutureFuel. On March 8, 2011 the NYSE approved the listing of the common stock on the New York Stock Exchange.

Eastman Chemical was part of Eastman Kodak (Kodak), and provided Kodak with many of the chemicals and chemical intermediates needed by Kodak. In 1994 Eastman Chemical was spun off from Kodak and in 2006 Eastman Chemical spun off part of its operations, Eastman SE, which was acquired by FutureFuels.

Part of the acquisition was approximately 2,200 acres fronting the White River six miles southeast of Batesville in north central Arkansas with 500 acres used for chemical manufacturing, laboratories, water treatment facilities and other infrastructure that was built in 1975. In 2008 FutureFuels discussed its expansion plans with the Arkansas Economic Development Commission and others. In late 2009 the company deeded land and provided funds, as did the state of Arkansas, for a rail switching station, rail and railcar and truck cleaning facilities. This project should be completed in late 2011. The rail facility is used to transport biofuels and bulk chemicals.
In March, 2009 the company purchased a granary in Marianna, Arkansas. The location of the granary provides an excellent position for the expansion of the biofuels segment. Currently the granary buys agricultural commodities locally and ships them out of Arkansas.

The chemicals business has two major customers for specific products and many customers for other specialty chemicals:

dollars in millions:	2008	2009	2010
Proctor & Gamble	$84.0	$73.5	$79.5
Arysta LifeScience North America	$34.2	$31.6	$36.5
Other chemicals	$37.4	$38.7	$62.3

The post emergent herbicide made for Arysta has come under significant pressure from generics from China. Revenue from this product may not grow from the current level. Proctor and Gamble has informed FutureFuels that purchases of the bleach activator will be reduced from the current level. FutureFuels has not announced the extent of the reduction.

Other chemicals, of which a significant portion is nylon plasticizers, is growing with significant gains in 2010 as shown above.

Batesville started selling biofuels in October 2005 using a low fatty acid triglyceride feedstock. Much of the current feedstock is soy bean oil and, when possible, waste grease and fat The production line demonstrated its ability to run at close to capacity for sustained period of time. With the expiration of the $1.00 federal blenders credit at the end of 2009 the biodiesel from low fatty acid feedstock was not profitable and the plant was redesigned to use high fatty acid feedstock. The plant was expanded in 2009 to a capacity of 59 million gallons a year. It was operating at 50% of capacity at the end of 2010 and, at that rate, the plant is profitable. FutureFuels is still in the process of optimizing the process. There are several types of bio-fuels, the main distinction being the starting material and the chemical processes used to convert them to useable fuels.

FutureFuels has stated that continued production of biofuels is uncertain and depends on the relative prices of crude oil and bio feedstock, maintenance of government mandates and a continuation of the federal and state credits on biofuels, especially the $1.00 per gallon federal blenders tax credit which ends on December 31, 2011.

At the current time biodiesel from FutureFuels needs both the federal and state subsidies and the plant has to operate at higher operating rates to be profitable.

INDUSTRY OUTLOOK

Chemicals:

In general specialty chemicals (fine chemicals) are higher priced and higher margined products as compared to commodity chemicals and demand is less affected by economic changes. There are usually

fewer manufacturers and therefore less price competition. Producers generally compete on the basis of expertise rather than price and may even have some exclusive chemical knowledge or process technology. Specialty chemicals are usually produced in small quantities (relative to bulk chemicals) and are often used in the pharmaceutical and biocide industries. The growth of the specialty chemicals industry is usually several multiples of GDP growth.

Biofuels:

In August 1893 Rudolf Diesel powered a diesel engine with peanut oil although his written works show that the engine was not designed to run on a biofuel. After 118 years Germany is still the leading consumer of biodiesel (but it is not based on peanuts). The Economic Union produced 9.05 million tonnes of biodiesel in 2009 with Germany consuming 28.1%; France 21.7%;Spain 9.5% and Italy 8.2% for a total of 65.2% The 2010 production capacity was 21.904 million tonnes. The countries with the largest capacity were Germany with (in million tonnes) 4.93; Spain with 4.10; France with 2.51, Italy 2.38. Most of the biodiesel is produced using rape seed oil (also known as Canola oil).

The use of biodiesel is facilitated by the large number of cars with diesel engines. For many years about 50% of the cars produced for sale in the Common Market are diesel powered. Since the selling price of petrol (Benzine or Gasoline) is very high as compared to its price in the US the 30% to 40% better mileage makes diesel very attractive since the retail price is often about 10% higher than that of gasoline. In most European countries biodiesel is priced slightly higher than petro-diesel. Biodiesel has a higher cetane number (cetane is the diesel equivalent of octane) than petro-diesel and also has better lubricating power. In my experience using biodiesel seems to make the car run better, especially at very high speeds.

At this time the growth in demand for biodiesel is limited by the number of cars with diesel engines. Currently the diesel market is dominated by heavy trucks. However, this is changing. Through the first 7 months of 2011 sales of diesel vehicles increased 38.5% as compared to less than 10% for all cars. However, in July this represents only 8,653 vehicles, or 0.82% of cars sold. The segment leader is the VW Jetta TDI (56,717 sold so far in 2011, 30 mpg city and 42 mpg highway.) followed by the VW Golf and then the 2011 BMW X5 35d SUV with its 265 horsepower diesel turbo that gets over 25 mpg on the highway. The 335d sedan with its 3.0L 6cyl Turbodiesel 6A engine, gets 23 mpg city and 36 mpg highway (for a combined total of 27). More diesel cars helps the auto industry meet the corporate fuel economy standards.

In Europe the major driver for biofuels is the high tax on petroleum based fuels. This can be looked on as a reverse credit on biofuels. Since it is unlikely that the taxes on gasoline and petro-diesel will be reduced biodiesel is a viable energy source in Europe. Another driver is the cost of crude oil. As crude goes up the spread between raw material costs and crude widens, driving the trucking market to bio blends which could become cheaper.

Since the US has a much lower tax on petro-fuels than most other countries (Mexico actually has a subsidy on gasoline) one of two factors must exist. First there has to be a subsidy, without one the industry will shut down capacity as it did before when the subsidy was eliminated. Then in December 2010 the subsidy was renewed for one year and the EPA established higher biodiesel blending mandates. Second, the RFS mandates have to be enforced. However, in our opinion the blending requirements are meaningless if half, or more, of the industry closes down due to lack of profits.

INDUSTRY POSITION

FutureFuels is a significant factor in the biofuels business in a regional market.

VALUATION

COMPARISON TABLE	Ticker	Price	Mkt	ROE	P/E	P/E	P/B	P/S	EV/Sales	EV/EBITDA	PEG	Inst.
		9/29/11	Cap	(%)	L4Q	N4Q	LQ	L4Q	L4Q	L4Q		Ownership %
			(in million)									
Future Fuels Corp.	**FF**	**$10.77**	**$436**	**9.69%**	**16.51**	**17.02**	**1.60**	**2.03**	**1.34**	**0.37**	**0.83**	**NA**
Air Products & Chemicals Inc.	APD	$79.43	$16,930	20.09	14.79	12.33	2.68	1.70	2.13	8.44	0.98	85.1
Archer Daniels Midland Co.	ADM	$25.65	$17,330	12.06	8.19	7.54	0.90	0.21	0.32	7.27	0.84	71.4
Calgon Carbon Corp.	CCC	$15.10	$853	12.32	20.41	15.41	2.27	1.64	1.67	10.25	0.69	87.2
Cereplast Inc.	CERP	$2.92	$46	N/A	N/A	N/A	3.13	2.29	2.50	N/A	N/A	0.6
Codexis Inc.	CDXS	$4.80	$172	N/A	N/A	N/A	1.54	1.44	1.03	N/A	N/A	30.0
Cyanotech Inc.	CYAN	$3.71	$20	17.16	11.03	N/A	1.76	1.08	0.96	9.01	N/A	17.6
Green Plains Renewable Energy	GPRE	$9.52	$347	7.87	9.56	5.44	0.68	0.12	0.30	6.57	1.01	31.2
Eastman Chemical Co.	EMN	$70.68	$4,960	31.86	8.38	7.56	2.56	0.74	0.85	4.32	1.03	81.7
Koppers Holding Inc	KOP	$26.21	$540	49.85	10.97	7.66	4.22	0.38	0.56	5.78	0.40	2.2
Huntsman Corp.	HUN	$10.03	$2,400	15.36	9.15	5.14	1.13	0.23	0.59	5.81	0.79	67.8
Originoil Inc.	OOIL	$2.12	$16	NM	N/A	N/A	N/M	N/A	N/A	N/A	N/A	N/A
Poly One Corp	POL	$11.01	$1,020	44.78	4.56	9.25	1.59	0.36	0.37	4.61	0.77	92.6
Rentech Inc.	RTK	$0.81	$182	NM	NM	NM	4.43	1.03	1.56	11.37	N/A	28.9
Solazyme Inc	SZYM	$10.44	$623	N/A	N/A	N/A	2.30	14.21	8.49	N/A	N/A	N/A
Stepan Company	SCL	$68.58	$697	18.83	11.36	9.16	1.79	0.42	0.53	5.66	1.03	62.3
Viral Genetics Inc.	VRAL	$0.02	$10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mean				20.93	11.36	9.65	2.17	1.86	1.55	6.62	0.84	
Median				17.16	10.97	8.41	1.79	1.03	0.96	6.19	0.83	
(Source: Zacks Investment Research &Yahoo Finance)												

FutureFuels is valued in line with other specialty chemical companies. The reduced revenue from P&G will probably cause lower revenue in the second half of 2011 but revenue growth from the chemicals segment should resume in 2012.

Based on resumed growth in 2012 we would expect the PEG ratio to move closer to 1.0. Given that valuation and 2012 earnings our price target is $16 a share and the stock is rated Outperform.

RISKS

- Loss of a significant customer. FutureFuels has two significant customers as outlined in this report. The loss of either customer would have a significant impact of revenue and profits. At this point both customers continue to take delivery. The P&G contract ends in March 2013.

- Loss of subsidy. When the $1 biofuel credit was eliminated in December 2009 FutureFuels biodiesel revenue dropped from $53 million in 2009 to $41 million in 2010. The volume of biodiesel sold declined 47% but the blended product volume increased 21% Then, when the subsidy was reinstated, the revenue has more than doubled and in the second quarter, 2011, the plant was very profitable. On the upside many marginal plants would again close down. If the mandates issued under the renewable fuels standards (RFS) were not enforced most of the biodiesel plants would probably close.

INSIDER TRADING AND OWNERSHIP

Excluding transactions by the Revelation Special Situations Fund Ltd, (a 10% beneficial owner) there have been 11 buy transactions totaling 74,023 shares by officers and directors. There have been no sell transactions.

PROJECTED INCOME STATEMENT & BALANCE SHEET

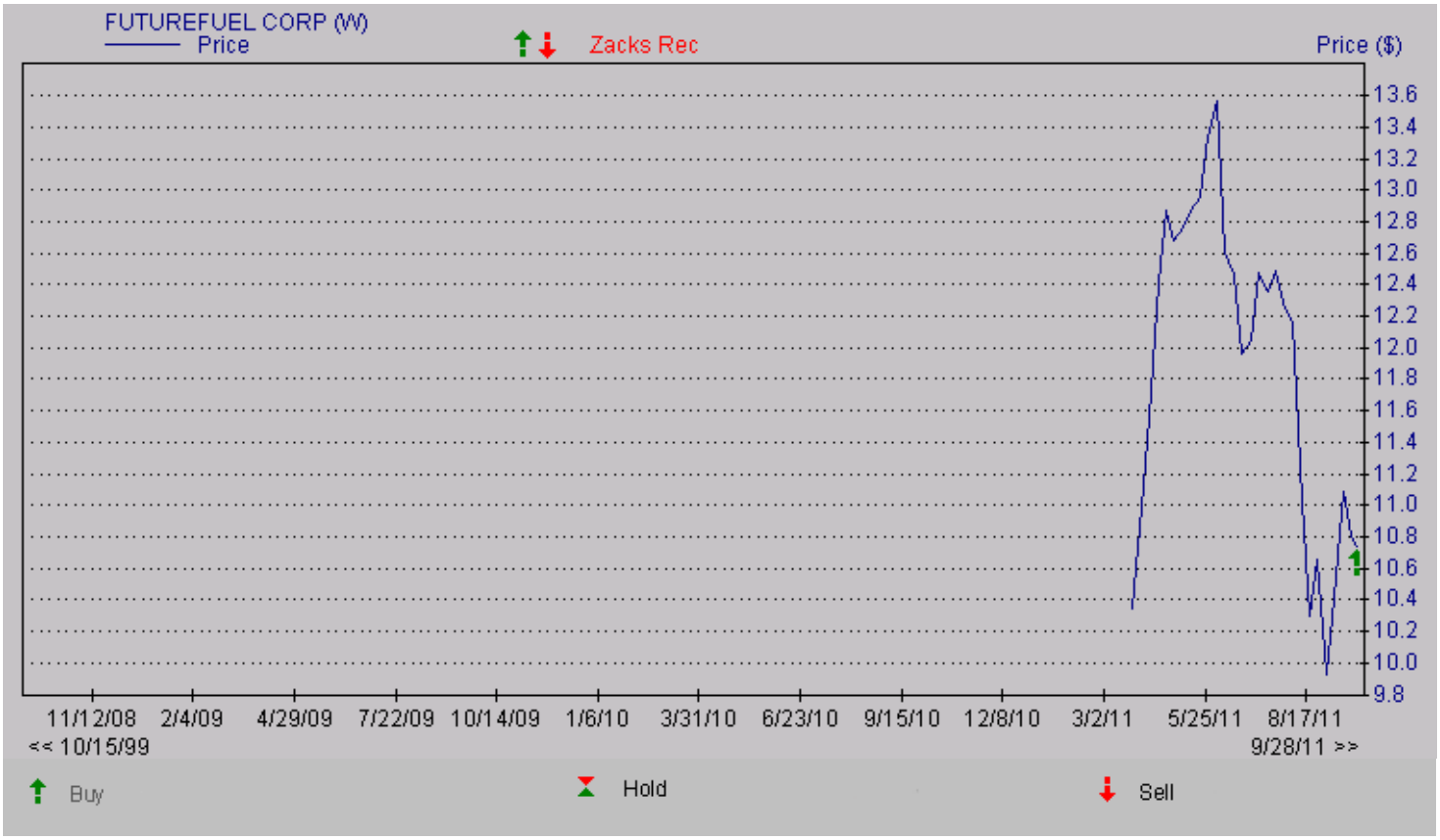
FutureFuel Corp.																				
Consolidated Statements of Operations																				
(Dollars in millions except per share data)																				
Fiscal Year Dec 31.	**2008A**	**1Q09**	**2Q09**	**3Q09**	**4Q09**	**2009A**	**1Q10**	**2Q10**	**3Q10**	**4Q10**	**2010A**	**1Q11**	**2Q11**	**3Q11**	**4Q11**	**2011**	**1Q12**	**2Q12**	**3Q12**	**4Q12**	**2012**
													Act.	Est.		Est.					Est.
Chemicals revenue	155.55					143.76	43.60	40.26	47.88	47.12	178.28	44.70	36.09	30.00	30.00	140.78	35.00	40.00	45.00	50.00	170.00
Segment gross margin	32.74					33.01	9.23	8.72	13.29	20.99	41.43	7.77	7.07	6.00	6.00	26.84	0.00	0.00	0.00	0.00	0.00
							21.16%	21.65%	27.75%	44.54%	23.24%	17.39%	19.59%	20.00%	20.00%	19.07%	0.00%	0.00%	0.00%	0.00%	0.00%
Biofuels revenue	42.78					52.95	4.16	11.46	18.88	6.40	40.90	10.55	37.88	35.00	10.00	93.42	15.00	40.00	50.00	20.00	125.00
Segment gross margin	7.68					1.43	-1.29	-2.41	-1.41	-5.82	-0.15	-2.78	8.36	8.00	-2.00	11.59	0.00	0.00	0.00	0.00	0.00
Revenue	193.466	38.845	41.831	52.263	61.278	194.217	47.763	51.714	66.093	53.52	219.09	52.216	73.963	65	40	231.179	0	0	0	0	0
Change Y/Y						0.39	22.96	23.63	26.46	-12.66	12.81	9.32	43.02	-1.65	-25.26	5.52	-100.00	-100.00	-100.00	-100.00	-100.00
Other revenue	4.864	0.892	0	0	0	0.892	0	0	0	0	0	3.025	0.765	`	0	3.79	0	0	1	2	3
Total revenue	**$198.33**	**$39.74**	**$41.83**	**$52.26**	**$62.88**	**$196.71**	**$47.76**	**$51.71**	**$66.09**	**$53.52**	**$219.09**	**$55.24**	**$74.73**	**$65.00**	**$40.00**	**$234.97**	**$57.00**	**$80.00**	**$95.00**	**$70.00**	**$302.00**
% Change																	3.18	7.05	46.15	75.00	28.53
Cost Goods	149.12	30.47	34.15	36.84	49.90	151.36	37.49	43.48	52.46	36.34	169.78	45.39	56.96	48.75	32.00	183.10	45.60	60.80	71.25	59.50	237.15
Distribution & other exp.	8.79	2.91	1.81	1.77	4.43	10.92	2.33	1.93	1.76	2.01	8.03	4.86	2.34	1.80	2.50	11.49	2.50	2.70	2.80	2.80	6.10
G & A Compensation expense	2.91	0.49	0.80	0.73	1.58	3.61	0.73	0.73	0.81	1.23	3.50	0.81	1.32	1.70	1.50	5.33	1.20	1.40	1.90	1.60	6.10
Other expenses	1.38	0.56	0.45	0.43	0.39	1.83	0.53	0.44	0.73	0.43	2.14	0.22	0.59	0.50	0.50	1.81	0.50	0.50	0.50	0.50	2.00
R&D	3.95	1.01	0.99	1.11	1.06	4.17	0.90	0.89	0.80	0.91	3.49	0.75	0.86	1.00	1.00	3.61	1.00	1.00	1.00	1.00	4.00
Depr. & Amort.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Op Income GAAP	32.18	4.29	3.64	11.39	5.53	24.84	5.78	4.24	9.54	12.60	32.16	3.22	12.66	11.25	2.50	29.63	8.70	16.30	20.35	7.40	52.75
Interest Expenses	0.03	0.01	0.01	0.01	0.01	0.03	0.00	0.01	0.01	0.06	0.07	0.13	0.04	0.05	0.05	0.27	0.06	0.07	0.07	0.08	0.28
Interest Income	2.97	0.22	0.07	0.04	0.08	0.40	0.00	0.22	0.31	0.61	1.14	0.78	0.81	0.50	0.50	2.59	0.60	0.60	0.60	0.60	2.40
Non Op Income	(0.09)	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	(0.05)	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	(0.03)	0.00	(0.02)	0.01	0.24	0.23	0.00	0.00	0.17	0.83	1.00	0.09	(0.06)	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00
Calc.Pretax	35.00	4.51	3.68	11.43	5.84	25.45	5.78	4.47	10.00	13.93	34.18	3.95	13.37	11.70	2.95	31.97	9.24	16.83	20.88	7.92	54.87
Taxes	12.32	1.69	0.83	4.04	1.90	8.45	0.00	1.71	3.45	5.92	11.08	1.24	4.93	5.28	0.97	12.42	3.05	5.55	6.89	2.61	18.11
Tax Rate	35.21	37.39	22.45	35.39	32.55	33.22	0.01	38.22	34.50	42.54	32.43	31.28	36.89	45.13	33.00	38.85	33.00	33.00	33.00	33.00	33.00
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pro-forma adj.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00
Net Income	22.68	2.82	2.85	7.38	3.94	16.99	5.78	2.76	6.55	8.00	23.09	2.72	8.44	6.42	1.98	19.55	6.19	11.28	13.99	5.31	36.76
Net For Common	22.68	2.82	2.85	7.38	3.94	16.99	5.78	2.76	6.55	8.00	23.09	2.72	8.44	6.42	1.98	19.55	6.19	11.28	13.99	5.31	36.76
Shares Used, millions	27.55	28.20	28.20	29.19	29.20	29.25	30.96	37.52	40.03	40.05	37.19	40.13	40.44	40.50	41.00	40.60	41.00	41.00	41.00	41.00	41.00
Earnings Per Share																					
EPS	**$0.82**	**$0.10**	**$0.10**	**$0.25**	**$0.13**	**$0.58**	**$0.19**	**$0.07**	**$0.16**	**$0.20**	**$0.62**	**$0.07**	**$0.21**	**$0.16**	**$0.05**	**$0.48**	**$0.15**	**$0.28**	**$0.34**	**$0.13**	**$0.90**
Pro Forma EPS	**$0.82**	**$0.10**	**$0.10**	**$0.25**	**$0.13**	**$0.58**	**$0.19**	**$0.07**	**$0.16**	**$0.20**	**$0.62**	**$0.07**	**$0.22**	**$0.16**	**$0.05**	**$0.49**	**$0.15**	**$0.28**	**$0.34**	**$0.13**	**$0.90**

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FutureFuel Corp.					
Consolidated Balance Sheet (in $ millions)					
Fiscal Year Dec 31.					
	4Q08	**4Q09**	**4Q10**	**1Q11**	**2Q11**
ASSETS	Act.				Act.
Cash & Equiv.	73.87	72.32	130.29	136.06	147.28
A/R	20.05	21.76	26.85	27.07	30.50
Inventories	27.59	26.44	31.30	41.20	40.38
Other	6.84	3.06	2.62	2.31	2.52
Total current assets	**128.34**	**123.59**	**191.06**	**206.65**	**220.68**
Gross Plant	106.32	119.25	121.61	131.82	137.61
Acc. Deprn	0.00	0.00	0.00	0.00	0.00
Def. Revenue	0.00	0.00	0.00	0.00	0.00
Intangibles	0.32	0.21	0.12	0.07	0.04
Other	3.15	2.97	2.41	2.25	2.22
All Assets	238.13	246.01	315.20	340.78	360.54
LIABILITIES AND NET WORTH					
Debt Due 1 Yr	0.00	0.00	0.00	0.00	0.00
Notes Payable	0.00	0.00	0.00	2.58	0.00
A/P	13.75	14.83	12.62	22.96	14.68
Taxes	4.15	3.17	4.33	5.30	1.85
Other	4.21	2.90	6.09	4.91	11.76
Total current liabilities	**22.11**	**20.90**	**23.04**	**35.75**	**28.29**
Deferred Revenue	9.99	9.35	13.51	23.16	29.71
L.T.Debt & Convert.	0.00	0.00	0.00	0.00	0.00
Other LT	1.24	0.00	0.00	0.00	0.00
Def. Taxes & ITC	23.14	24.12	25.46	26.59	26.95
Other	0.00	1.38	2.89	3.21	3.38
All Liabilities	56.49	55.74	64.90	88.72	88.33
Pref.Stock	0.00	0.00	0.00	0.00	0.00
Common Stock	0.00	0.00	0.00	0.00	0.00
Paid in Capital	167.52	67.60	237.09	237.16	253.42
Retained Earnings	14.10	22.63	12.55	13.39	17.83
Other	0.02	0.04	0.66	1.51	0.96
Treasury Stock	0.00	0.00	0.00	0.00	0.00
Net Worth	181.64	90.27	250.30	252.06	272.21
Total liabilities & stockholders' equity	**238.13**	**146.01**	**315.20**	**340.78**	**360.54**

FutureFuel Corp.			
Condensed Consolidated Statements of Cash Flows			
Fiscal Year Dec 31.			
	2008A	**2009A**	**2010A**
Cash flow from operations:			
Net (Loss) Income	22.68	16.99	23.09
Depreciation & amortization	5.80	7.52	7.56
Amortization of goodwill			
Stock issued for services			
Stock based compensation	0.02	0.87	
Impairment of machinery			
In-process R&D			
Other	7.78	0.50	-12.82
Net cash provided by (used in) operating activites	**$36.27**	**$25.88**	**$17.84**
Cash flow from investments:			3.14
Purchase of PP&E	(16.35)	(21.91)	(9.67)
Proceeds from disposal of PP&E			
Other	(35.66)	43.34	(21.10)
Net cash provided by (used in) investing activities	**($52.01)**	**$21.43**	**($30.77)**
Cash flow from financing activities:			
Proceeds from issuance of common stock	8.17		70.74
Payment of dividend	(19.71)	(8.46)	(31.05)
Proceeds from debt - related parties			
Proceeds from debt		15.42	
Payment on debt - related parties			
Payment on debt			
Other	0.08	(16.22)	(1.21)
Net cash provided by (used in) financing activities	**($11.46)**	**($9.25)**	**$38.47**
Increase (decrease) in cash and equivalents	($27.19)	$38.06	$25.54
Cash & equivalents at beginning of period	$54.66	$27.47	$65.53
Cash & equivalents at end of period	$27.47	$65.53	$91.07

HISTORICAL ZACKS RECOMMENDATIONS



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