

GLOBAL PARTNERS LP
Form 10-Q
August 14, 2006

**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 June 30, 2006

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.)

**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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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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 5,642,424 common units and 5,642,424 subordinated units outstanding as of August 7, 2006.

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Item 1. Financial Statements

GLOBAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(In thousands, except unit data)
(Unaudited)

	June 30, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 940	\$ 1,769
Accounts receivable, net	168,800	237,861
Accounts receivable - affiliates	1,783	2,005
Inventories	263,937	260,714
Brokerage margin deposits	5,517	9,210
Prepaid expenses and other current assets	12,676	7,781
Total current assets	453,653	519,340
Property and equipment, net	26,145	21,975
Intangible assets, net	9,791	10,603
Other assets	2,585	2,838
Total assets	\$ 492,174	\$ 554,756
Liabilities and partners' equity		
Current liabilities:		
Accounts payable	\$ 184,168	\$ 259,463
Notes payable, other - current portion	297	297
Income taxes payable	739	1,200
Accrued expenses and other current liabilities	24,454	28,615
Obligations on forward fixed price contracts and other derivatives	9,863	1,038
Total current liabilities	219,521	290,613
Long-term liabilities:		
Revolving line of credit	183,800	181,600
Notes payable, other - less current portion	1,412	1,559
Other long-term liabilities	4,592	4,676
Total long-term liabilities	189,804	187,835
Partners' equity		
Common unitholders (5,642,424 units issued and outstanding at June 30, 2006 and December 31, 2005)	100,717	97,512
Subordinated unitholders (5,642,424 units issued and outstanding at June 30, 2006 and December 31, 2005)	(17,167)	(20,372)
General partner interest (2% interest with 230,303 equivalent units outstanding at June 30, 2006 and December 31, 2005)	(701)	(832)
Total partners' equity	82,849	76,308
Total liabilities and partners' equity	\$ 492,174	\$ 554,756

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

GLOBAL PARTNERS LP

CONSOLIDATED/COMBINED STATEMENTS OF OPERATIONS

(In thousands, except per unit data)
(Unaudited)

	Successor Three Months Ended June 30, 2006 Consolidated	Predecessor 2005 Combined	Successor Six Months Ended June 30, 2006 Consolidated	Predecessor 2005 Combined
Sales	\$ 1,031,353	\$ 763,197	\$ 2,382,376	\$ 1,915,276
Cost of sales	1,010,709	748,706	2,329,515	1,872,397
Gross profit	20,644	14,491	52,861	42,879
Selling, general and administrative expenses	9,416	8,193	19,988	17,783