

Glacial Lakes Corn Processors
Condensed Consolidated Balance Sheet (Unaudited)
February 28, 2009

ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$	12,633,574
Restricted Cash		3,581,504
Trade and Accounts Receivable		19,388,042
Inventories		11,685,476
Hedge Accounts		269,126
Prepaid Expenses		1,126,525
Total Current Assets		<u>48,684,247</u>
Property and Equipment:		
Existing Facilities		288,338,522
Less: accumulated depreciation		(54,938,555)
Total Property and Equipment, net		<u>233,399,967</u>
Other Assets:		
Financing Costs - net of accumulated amortization		1,686,225
Investment in Granite Falls Energy, LLC		7,567,563
Investment in Redfield Energy, LLC		2,676,704
Goodwill		-
Other Assets		1,155,251
TOTAL ASSETS	\$	<u>295,169,958</u>
LIABILITIES AND MEMBERS' EQUITY:		
Current Liabilities:		
Trade and Accounts Payable	\$	1,369,991
Corn Payable		6,375,866
Accrued Expenses		2,853,431
Accrued Interest Payable		2,038,559
Taxes Payable		-
Revolving Line of Credit		7,120,000
Other Debt		3,370,007
Current Maturities of Long-Term Debt		15,564,960
Total Current Liabilities		<u>38,692,815</u>
Long-Term Liabilities:		
Total Long-Term Debt (less current maturities)		149,864,849
Interest Rate Swaps		9,979,641
Deferred Taxes		2,112,497
Total Members' Equity		94,520,156
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	<u>295,169,958</u>
Period end shares outstanding		184,941,652

Glacial Lakes Corn Processors
Condensed Consolidated Statement of Operations (Unaudited)
Six Months Ended February 28, 2009 and February 29, 2008

	February 28, 2009	February 29, 2008
SALES:		
Fuel Ethanol	\$ 131,846,783	\$ 63,862,546
Hedging - Ethanol	71,874	(376,565)
Distiller's Grain	29,197,330	9,744,283
Corn Oil	467,258	403,814
Net Sales	<u>161,583,246</u>	<u>73,634,078</u>
COST OF SALES:		
Corn	126,757,871	46,043,922
Hedging - Corn (Gain)/Loss	44,684,138	(11,643,126)
Chemicals	10,466,132	4,436,117
Change in Inventory	2,198,211	(2,207,841)
Utilities	22,835,989	9,164,236
Depreciation	14,591,384	4,997,500
Other	3,396,361	1,964,744
Cost of Sales	<u>224,930,087</u>	<u>52,755,552</u>
GROSS PROFIT/(LOSS)	<u>(63,346,842)</u>	<u>20,878,526</u>
ADMINISTRATIVE EXPENSES:		
Administrative Wages and Benefits	1,214,666	1,744,406
Other	5,275,731	1,979,301
Total Administrative Expenses	<u>6,490,397</u>	<u>3,723,707</u>
INCOME/(LOSS) FROM OPERATIONS	<u>(69,837,239)</u>	<u>17,154,819</u>
OTHER INCOME (EXPENSE):		
State Ethanol Producer Program	416,667	416,667
Net Interest Income/(Expense)	(6,009,518)	215,084
Hedging - Interest Rate Swaps	(5,059,618)	(4,177,120)
Gain on Sale of ME	1,595,652	-
Other Income/(Expense)	84,731	47,851
Investment and Management Income/(Loss)	(1,589,385)	1,351,116
Total Other Income (Expense)	<u>(10,561,471)</u>	<u>(2,146,402)</u>
NET INCOME/(LOSS) BEFORE TAXES	<u>(80,398,709)</u>	<u>15,008,417</u>
INCOME TAX PROVISION	<u>(550,700)</u>	<u>325,900</u>
NET INCOME/(LOSS)	<u>\$ (79,848,009)</u>	<u>\$ 14,682,517</u>
WEIGHTED AVG SHARES OUTSTANDING	<u>187,627,193</u>	<u>187,986,798</u>
NET INCOME/(LOSS) PER SHARE	<u>\$ (0.426)</u>	<u>\$ 0.078</u>
Production Statistics:		
Ethanol (Gallons)	88,541,932	35,504,860
Corn Ground (Bushels)	31,765,676	12,787,856
DDG's (Equivalent Dry Tons)	252,383	104,983

Glacial Lakes Corn Processors
Condensed Consolidated Statement of Operations (Unaudited)
Three Months Ended February 28, 2009 and November 30, 2008

	February 28, 2009	November 30, 2008
SALES:		
Fuel Ethanol	\$ 66,653,415	\$ 65,420,305
Hedging - Ethanol	31,114	(186,177)
Distiller's Grain	16,139,046	13,058,284
Corn Oil	167,443	299,815
Net Sales	<u>82,991,018</u>	<u>78,592,228</u>
COST OF SALES:		
Corn	62,655,921	64,101,950
Hedging - Corn (Gain)/Loss	-	44,684,138
Chemicals	5,191,300	5,274,832
Change in Inventory	295,768	1,902,443
Utilities	11,828,826	11,007,163
Depreciation	7,275,000	7,316,384
Other	1,474,234	1,922,127
Cost of Sales	<u>88,721,050</u>	<u>136,209,038</u>
GROSS PROFIT/(LOSS)	<u>(5,730,032)</u>	<u>(57,616,810)</u>
ADMINISTRATIVE EXPENSES:		
Administrative Wages and Benefits	500,689	713,977
Other	3,960,332	1,315,399
Total Administrative Expenses	<u>4,461,021</u>	<u>2,029,376</u>
INCOME/(LOSS) FROM OPERATIONS	<u>(10,191,052)</u>	<u>(59,646,187)</u>
OTHER INCOME (EXPENSE):		
State Ethanol Producer Program	166,667	250,000
Net Interest Income/(Expense)	(2,870,529)	(3,142,025)
Hedging - Interest Rate Swaps	(769,850)	(4,286,731)
Gain on Sale of ME	(168,366)	1,764,018
Other Income/(Expense)	(33,650)	118,381
Investment and Management Income/(Loss)	(218,971)	(1,370,413)
Total Other Income (Expense)	<u>(3,894,700)</u>	<u>(6,666,771)</u>
NET INCOME/(LOSS) BEFORE TAXES	<u>(14,085,752)</u>	<u>(66,312,957)</u>
INCOME TAX PROVISION	<u>(550,700)</u>	<u>-</u>
NET INCOME/(LOSS)	<u>\$ (13,535,052)</u>	<u>\$ (66,312,957)</u>
WEIGHTED AVG SHARES OUTSTANDING	<u>187,125,724</u>	<u>188,360,652</u>
NET INCOME/(LOSS) PER SHARE	<u>\$ (0.072)</u>	<u>\$ (0.352)</u>
Production Statistics:		
Ethanol (Gallons)	49,660,672	38,756,681
Corn Ground (Bushels)	17,889,145	13,876,531
DDG's (Equivalent Dry Tons)	141,101	111,283



Unaudited Financial Report
Six Months Ended
February 28, 2009 and February 29, 2008

Additional Information to the Condensed Consolidated Financials Statements (Unaudited) as of and for the Quarter Ended February 28, 2009.

Balance Sheet

Cash

- Glacial Lakes Corn Processors (the Cooperative) had approximately \$3 million of restricted cash which has been applied the debt service reserve.

Accounts Receivable

- The Cooperative had outstanding receivables totaling approximately \$19 million. Included in this balance are receivables from the following:
 - \$14 million – ethanol
 - \$ 5 million – distillers

Inventory

- The Cooperative had inventory totaling approximately \$12 million. Composition of inventory is as follows:
 - \$3 million – corn
 - \$3 million – ethanol
 - \$1 million – distillers
 - \$5 million – in process and other

Corn Payable

- The Cooperative reflected a liability for corn totaling approximately \$6 million. Included, the Cooperative reflected its future purchase obligations at the lower of cost or market in the amount of \$1 million.

Other Debt

- The Cooperative is reflecting the current portion of the long term debt as a current liability. As of August 31, 2008, the Cooperative was required to reflect the entire balance as current due to going concern matters as addressed in footnote 17 of the annual audit report issued by McGladrey & Pullen.
- The Cooperative is reflecting Other Debt in the amount of \$3.3 million. In December 2008, the Cooperative entered into a subordinated note agreement with its broker for the amount of the unfilled margin call (see footnote 18 in the annual report).

Interest Rate Swaps

- The Cooperative has entered into various interest rate swap agreements to reduce the volatility of interest rates under the variable notes. The fair value of these instruments is reflected as a liability on the balance sheet, with changes in the fair value reported in interest expense. As of February 28, 2009 the Cooperative is reflecting a liability in the amount of \$9.9 million.

Income Statement

Loss from Production

- For the quarter ended February 28, 2009, the Cooperative reflected a loss from production totaling approximately \$10.1 million. Production losses were attributable primarily to market conditions relating to prices of ethanol and corn.

	(millions)
Losses from Production	(\$10.1)
Interest Rate Swap Losses	(.8)
Loss on Sale of Madison elevator	(.2)
Loss on Agreement to sell GFE shares	(1.8)
Ethanol Marketer Termination Fee	(1.2)
Madison Energy Earnings	(.2)
Equity in Earnings (RE & GFE)	(.2)
Other	1.0
Net Loss	(\$13.5)

Corn

- As of November 30, 2008, the Cooperative reflected an obligation for future corn commitments totaling approximately \$1.7 million. As of February 28, 2009 this obligation was \$1.0 million. The difference flows through the income statement in cost of goods sold and had a positive earnings impact to corn cost in the amount of \$.7 million.
- The Cooperative had no corn or ethanol positions in place as of the balance sheet date and reflected no gain or loss for the quarter.

Interest Rate Swaps

- For the quarter ended February 28, 2009, the Cooperative recognized \$.8 million in interest expense associated with interest rate swap instruments.

Other

- During October, the Cooperative entered into an agreement with Cargill to sell the Madison Energy, LLC elevator facility located in Madison, MN. For the quarter ended November 30, 2008, the Cooperative reflected a gain on the sale in the amount of \$1.8 million. Upon final settlement, the Cooperative reflected a loss of .2 million during the quarter ended February 28, 2009 for a total gain of approximately 1.6 million.
- During December, the Cooperative entered into an agreement with Fagen Inc. to sell 2,000 shares of the 6,525 membership units owned of Granite Falls Energy. The Cooperative recognized a loss of \$1.8 million on the agreement to sell. Closing will take place following the satisfaction or waiver of all conditions to the obligations of the parties, but not later than July 4, 2009.
- During January, the Cooperative terminated its Marketing Agreement with Aventine Renewable Energy. As part of the settlement, the Cooperative recognized a termination fee of \$1.2 million.
- For the quarter ended February 28, 2009, the Cooperative recognized a gain of approximately \$60 thousand from its ownership interest in Redfield Energy and a loss of \$280 thousand from its ownership interest in Granite Falls Energy.