Aventine Renewable Energy Inc. (AVR)

(in thousands)	Historical			Projected										Terminal
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Net sales	$ 858,876	$ 935,468	$ 1,592,420	$ 2,388,630	$ 3,344,082	$ 4,347,307	$ 5,216,768	$ 5,868,864	$ 6,455,750	$ 6,907,653	$ 7,356,650	$ 7,798,049	$ 8,226,942	$ 8,679,424
Growth		*8.92%*	*70.23%*	*50.00%*	*40.00%*	*30.00%*	*20.00%*	*12.50%*	*10.00%*	*7.00%*	*6.50%*	*6.00%*	*5.50%*	*5.50%*
Cost of goods sold	793,070	848,053	1,460,806	2,149,767	2,976,233	3,847,366	4,590,756	5,135,256	5,616,503	6,009,658	6,363,502	6,706,322	7,075,170	7,464,304
COGS/Sale	*92.34%*	*90.66%*	*91.73%*	*90.00%*	*89.00%*	*88.50%*	*88.00%*	*87.50%*	*87.00%*	*87.00%*	*86.50%*	*86.00%*	*86.00%*	*86.00%*
Gross profit	**65,806**	**87,415**	**131,614**	**238,863**	**367,849**	**499,940**	**626,012**	**733,608**	**839,248**	**897,995**	**993,148**	**1,091,727**	**1,151,772**	**1,215,119**
Margin	*7.66%*	*9.34%*	*8.27%*	*10.00%*	*11.00%*	*11.50%*	*12.00%*	*12.50%*	*13.00%*	*13.00%*	*13.50%*	*14.00%*	*14.00%*	*14.00%*
Total Operating Expenses	**13,040**	**21,511**	**24,939**	**42,995**	**60,193**	**78,252**	**93,902**	**105,640**	**116,204**	**124,338**	**132,420**	**140,365**	**148,085**	**156,230**
Total Operating Expense/Sales	*1.52%*	*2.30%*	*1.57%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*	*1.80%*
Operating income (loss)	**52,766**	**65,904**	**106,675**	**195,868**	**307,656**	**421,689**	**532,110**	**627,968**	**723,044**	**773,657**	**860,728**	**951,362**	**1,003,687**	**1,058,890**
Margin	*6.14%*	*7.05%*	*6.70%*	*8.20%*	*9.20%*	*9.70%*	*10.20%*	*10.70%*	*11.20%*	*11.20%*	*11.70%*	*12.20%*	*12.20%*	*12.20%*
After Tax Operating Income	47,678	50,989	86,586	133,190	209,206	286,748	361,835	427,019	491,670	526,087	585,295	646,926	682,507	720,045
Tax Rate	*38.66%*	*36.88%*	*36.59%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*	*32.00%*
Net CapEx	2,518	17,049	71,871	262,749	351,129	434,731	469,509	528,198	516,460	552,612	514,966	545,863	493,617	433,971
Net CapEx/Sales	*0.29%*	*1.82%*	*4.51%*	*11.00%*	*10.50%*	*10.00%*	*9.00%*	*9.00%*	*8.00%*	*8.00%*	*7.00%*	*7.00%*	*6.00%*	*5.00%*
NWC	15,631	46,128	74,531	109,877	153,828	199,976	239,971	269,968	296,965	317,752	338,406	358,710	378,439	399,253
NWC/Sales	*1.82%*	*4.93%*	*4.68%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*	*4.60%*
Change in NWC		30,497	28,403	35,346	43,951	46,148	39,995	29,996	26,997	20,788	20,654	20,304	19,729	20,814
FCFF		**$ 18,358**	**$ 6,401**	**$ (164,905)**	**$ (185,874)**	**$ (194,131)**	**$ (147,669)**	**$ (131,176)**	**$ (51,787)**	**$ (47,313)**	**$ 49,676**	**$ 80,758**	**$ 169,162**	**$ 265,260**
Terminal Year FCFF Growth														*5.00%*
PV				*-147,765*	*-166,553*	*-173,952*	*-132,320*	*-117,541*	*-46,404*	*-42,395*	*44,512*	*72,364*	*151,578*	*1,496,751*

WACC	**11.60%**
Total PV	938,275
Cash	128,716
Minority Interest	10,221
Firm Value	1,056,770
Debt Value	0
Equity Value	**1,056,770**
Diluted Shares O/S	41,782
Share Price	**$25.29**
Current Price	$19.12
Upside	**32.28%**

	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
RIR	34.40%	95.86%	137.24%	190.24%	164.13%	150.52%	133.33%	127.10%	112.50%	112.50%	99.15%	95.08%	78.69%
Growth	24.90%	61.86%	83.61%	57.07%	37.07%	26.19%	18.01%	15.14%	7.00%	11.25%	10.53%	5.50%	5.00%
Implied ROC	72.39%	64.53%	60.92%	30.00%	22.58%	17.40%	13.51%	11.91%	6.22%	10.00%	10.62%	5.78%	6.35%

Current Gas Price	$2.70	Total Gasoline Reduction (thousands)	35,000,000
Energy Density	1.5	Percentage Replaced by Ethanol	80%
Ethanol Equivalent Price	$1.80	Gal. of Ethanol = equal 1 gal. gas	1.5
Hair cut	15%	Ethanol Demanded (thousands)	42,000,000
Ethanol Price	$1.53	Assumed Price of Ethanol	$2.06
Inflation	3%	Market Size of Ethanol (in millions)	$86,360.07
Years	10	Current Market Share	14%
Inflation Adjusted Price	$2.06	Projected Market Share	10%
		Revenue By 2017 (in millions)	$8,636.01