

VALERO ENERGY CORP/TX
Form 10-Q
May 08, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 March 31, 2012

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 1-13175

VALERO ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

74-1828067
(I.R.S. Employer Identification No.)

One Valero Way
San Antonio, Texas
(Address of principal executive offices)

78249
(Zip Code)
(210) 345-2000
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of shares of the registrant's only class of common stock, \$0.01 par value, outstanding as of April 30, 2012 was 552,872,012.

VALERO ENERGY CORPORATION AND SUBSIDIARIES
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

VALERO ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Millions of Dollars, Except Par Value)

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets:		
Cash and temporary cash investments	\$1,559	\$1,024
Receivables, net	7,418	8,706
Inventories	6,145	5,623
Income taxes receivable	226	212
Deferred income taxes	358	283
Prepaid expenses and other	118	124
Total current assets	15,824	15,972
Property, plant and equipment, at cost	32,253	32,253
Accumulated depreciation	(7,098) (7,076
Property, plant and equipment, net	25,155	25,177
Intangible assets, net	227	227
Deferred charges and other assets, net	1,428	1,407
Total assets	\$42,634	\$42,783
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt and capital lease obligations	\$1,143	\$1,009
Accounts payable	9,941	9,472
Accrued expenses	483	595
Taxes other than income taxes	1,294	1,264
Income taxes payable	26	119
Deferred income taxes	189	249
Total current liabilities	13,076	12,708
Debt and capital lease obligations, less current portion	6,460	6,732
Deferred income taxes	5,210	5,017
Other long-term liabilities	1,896	1,881
Commitments and contingencies		
Equity:		
Valero Energy Corporation stockholders' equity:		
Common stock, \$0.01 par value; 1,200,000,000 shares authorized; 673,501,593 and 673,501,593 shares issued	7	7
Additional paid-in capital	7,479	7,486
Treasury stock, at cost; 120,526,015 and 116,689,450 common shares	(6,542) (6,475
Retained earnings	14,794	15,309
Accumulated other comprehensive income	221	96
Total Valero Energy Corporation stockholders' equity	15,959	16,423
Noncontrolling interest	33	22
Total equity	15,992	16,445

Total liabilities and equity	\$42,634	\$42,783
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See Condensed Notes to Consolidated Financial Statements.

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VALERO ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Dollars, Except Per Share Amounts)

(Unaudited)

	Three Months Ended March 31,		
	2012	2011	
Operating revenues (a)	\$35,167	\$26,308	
Costs and expenses:			
Cost of sales	33,035	24,568	
Operating expenses:			
Refining	964	744	
Retail	166	162	
Ethanol	87	95	
General and administrative expenses	164	130	
Depreciation and amortization expense	384	365	
Asset impairment loss	611	—	
Total costs and expenses	35,411	26,064	
Operating income (loss)	(244) 244	
Other income, net	6	17	
Interest and debt expense, net of capitalized interest	(99) (117)
Income (loss) from continuing operations before income tax expense	(337) 144	
Income tax expense	95	40	
Income (loss) from continuing operations	(432) 104	
Loss from discontinued operations, net of income taxes	—	(6)
Net income (loss)	(432) 98	
Less: Net loss attributable to noncontrolling interests	—	—	
Net income (loss) attributable to Valero Energy Corporation stockholders	\$(432) \$98	
Net income (loss) attributable to Valero Energy Corporation stockholders:			
Continuing operations	\$(432) \$104	
Discontinued operations	—	(6	