
Sunoco Logistics Partners L.P.



Second Quarter 2010
Earnings Conference Call
July 28, 2010

Forward-Looking Statement

You should review this slide presentation in conjunction with the second quarter 2010 earnings conference call for Sunoco Logistics Partners L.P., held on July 28 at 8:30 a.m. EDT. You may listen to the audio portion of the conference call on our website at www.sunocologistics.com or by dialing (USA toll-free) 1-888-889-4599. International callers should dial 1-312-470-0130. Please enter Conference ID “Sunoco Logistics”.

Audio replays of the conference call will be available for two weeks after the conference call beginning approximately two hours following the completion of the call. To access the replay, dial 1-800-774-9258. International callers should dial 1-402-220-2063.

During the call, those statements we make that are not historical facts are forward-looking statements. Although we believe the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements involve risks that may affect our business prospects and performance, causing actual results to differ from those discussed during the conference call. Such risks and uncertainties include, among other things: our ability to successfully consummate announced acquisitions and organic growth projects and integrate them into existing business operations; the ability of announced acquisitions to be cash-flow accretive; increased competition; changes in the demand both for crude oil that we buy and sell, as well as for crude oil and refined products that we store and distribute; the loss of a major customer; changes in our tariff rates; changes in throughput of third-party pipelines that connect to our pipelines and terminals; changes in operating conditions and costs; changes in the level of environmental remediation spending; potential equipment malfunction; potential labor relations problems; the legislative or regulatory environment; plant construction/repair delays; and political and economic conditions, including the impact of potential terrorist acts and international hostilities.

These and other applicable risks and uncertainties are described more fully in our Form 10-Q, filed with the Securities and Exchange Commission in May 2010. We undertake no obligation to update publicly any forward-looking statements whether as a result of new information or future events.

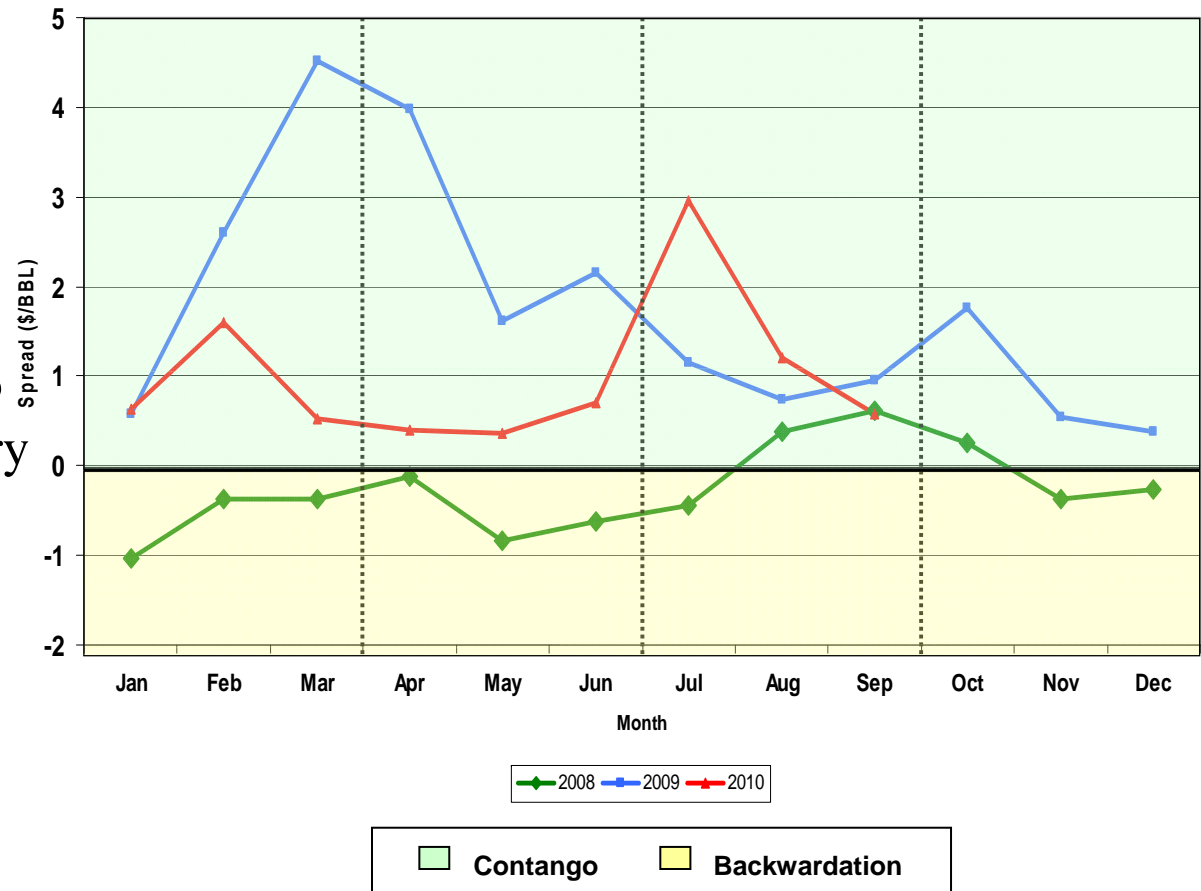
Q2 2010 Assessment

- Increased total distribution to \$1.14 (\$4.56 annualized) per unit, a 9.6 percent increase over the prior year's distribution
 - Represents the twenty-first consecutive distribution increase
- Net income for the first quarter of 2010 was \$51 million compared to \$67 million in the prior year
- Distributable cash flow of \$55 million for the quarter
- Excluding a crude contango investment at quarter end, Adjusted Total Debt to EBITDA ratio of 3.7x

Crude Oil Contango

- No contango income was booked in the first half of 2010
- Currently approximately \$14MM of prior period inventory profits are yet to be realized due to inventory accounting
- Widened contango market structure expected to provide strong earnings in the second half of the year

WTI NYMEX Month 2 vs. Month 1



YTD 2010 Operating Performance

- Lower market related profit opportunities partially offset by:
 - Improved operating performance in the Terminal Facilities
 - Organic capital program at Nederland facility
 - Expanded services at refined products terminals
 - Increased crude oil pipeline volumes
 - Contribution from 2009 acquisitions and organic projects
 - Through the first half of 2010, operating performance as expected
 - Distribution decisions exclude market related activities
 - Will take advantage of market related opportunities when available
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Q2 2010 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Sales and other operating revenue	\$ 2,028.9	\$ 1,282.7	\$ 3,709.4	\$ 2,320.7
Other income	9.4	7.8	17.2	12.5
Total revenues	2,038.3	1,290.5	3,726.5	2,333.2
Cost of products sold and operating expenses	1,939.1	1,184.8	3,533.8	2,108.5
Depreciation and amortization	13.9	11.5	28.5	23.1
Selling, general and administrative expenses	15.6	15.9	36.2	32.9
Total costs and expenses	1,968.6	1,212.2	3,598.5	2,164.5
Operating income	69.6	78.3	128.0	168.7
Interest cost and debt expense, net	19.9	12.7	36.0	23.7
Capitalized interest	(1.2)	(1.0)	(2.0)	(2.5)
Net Income	<u>\$ 50.9</u>	<u>\$ 66.6</u>	<u>\$ 94.0</u>	<u>\$ 147.5</u>

Q2 2010 Financial Highlights

(amounts in millions, except unit and per unit amounts, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Calculation of Limited Partners' interest:				
Net Income	\$ 50.9	\$ 66.6	\$ 94.0	\$ 147.5
Less: General Partner's interest	(10.7)	(13.0)	(20.8)	(25.5)
Limited Partners' interest in Net Income	<u>\$ 40.2</u>	<u>\$ 53.6</u>	<u>\$ 73.2</u>	<u>\$ 122.0</u>
Net Income per Limited Partner unit:				
Basic	<u>\$ 1.30</u>	<u>\$ 1.76</u>	<u>\$ 2.36</u>	<u>\$ 4.12</u>
Diluted	<u>\$ 1.29</u>	<u>\$ 1.74</u>	<u>\$ 2.35</u>	<u>\$ 4.09</u>
Weighted Average Limited Partners' units outstanding (in thousands):				
Basic	<u>31,051</u>	<u>30,551</u>	<u>31,034</u>	<u>29,629</u>
Diluted	<u>31,216</u>	<u>30,756</u>	<u>31,213</u>	<u>29,830</u>

Q2 2010 Financial Highlights

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Operating income (\$ in millions, unaudited)				
Refined Products Pipeline System	\$ 12.7	\$ 10.6	\$ 20.2	\$ 21.2
Terminal Facilities	27.8	21.2	50.4	42.4
Crude Oil Pipeline System	29.1	46.6	57.5	105.2
Operating highlights (unaudited)				
Refined Products Pipeline System: ⁽¹⁾				
Total shipments (barrel miles per day) ⁽²⁾	51,666,714	58,066,789	51,680,780	58,805,197
Revenue per barrel mile (cents)	0.669	0.591	0.648	0.586
Terminal Facilities:				
Refined products terminals throughput (bpd) ⁽³⁾	487,401	463,611	473,038	461,831
Nederland terminal throughput (bpd)	683,698	646,368	704,704	649,501
Refinery terminals throughput (bpd) ⁽⁴⁾	471,164	599,503	484,398	591,179
Crude Oil Pipeline System: ⁽¹⁾⁽⁵⁾				
Crude oil pipeline throughput (bpd)	905,997	670,133	871,760	667,156
Crude oil purchases at wellhead (bpd)	190,893	181,496	187,711	186,302
Gross margin per barrel of pipeline throughput (cents) ⁽⁶⁾	35.7	80.4	37.8	92.0

⁽¹⁾ Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

⁽²⁾ Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

⁽³⁾ Includes results from the Partnership's purchase of a refined products terminal in Romulus, MI from the acquisition date.

⁽⁴⁾ Consists of the Partnership's Fort Mifflin Terminal Complex, the Marcus Hook Tank Farm and the Eagle Point Dock.

⁽⁵⁾ Includes results from the Partnership's purchase of the Excel pipeline from the acquisition date.

⁽⁶⁾ Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

Q2 2010 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Capital Expenditure Data:				
Maintenance capital expenditures	\$ 9.9	\$ 6.4	\$ 14.3	\$ 9.0
Expansion capital expenditures	39.6	30.3	61.9	61.4
Total	<u>\$ 49.5</u>	<u>\$ 36.7</u>	<u>\$ 76.2</u>	<u>\$ 70.4</u>

	June 30,	December 31,
	2010	2009
Balance Sheet Data (at period end):		
Cash and cash equivalents	\$ 2.0	\$ 2.0
Total debt	1,213.3	868.4
Total Partners' Capital	663.9	861.6

Q2 2010 Financing Update

(\$ in thousands, unaudited)

	Balance as of:	
	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Revolving Credit Facilities ⁽¹⁾:		
\$62.5 million - due September 2011	\$ 31,250	\$ 31,250
\$395 million - due November 2012	84,000	237,722
Senior Notes:		
7.25% Senior Notes - due 2012	250,000	250,000
8.75% Senior Notes - due 2014	175,000	175,000
6.125% Senior Notes - due 2016	175,000	175,000
5.50% Senior Notes - due 2020	250,000	-
6.85% Senior Notes - due 2040	250,000	-
Less: unamortized bond discount	(1,988)	(548)
Total Debt	<u>\$ 1,213,262</u>	<u>\$ 868,424</u>

(1) As of June 30, 2010, the Partnership has unutilized borrowing capacity of \$342.2 million under its revolving credit facilities.

Non-GAAP Financial Measures

(\$ in millions, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net Income	\$ 50.9	\$ 66.7	\$ 94.0	\$ 147.5
Interest expense, net	18.7	11.7	34.1	21.2
Depreciation and amortization	13.9	11.5	28.5	23.1
EBITDA⁽¹⁾	83.5	89.9	156.6	191.8
Interest expense, net	(18.7)	(11.7)	(34.1)	(21.2)
Maintenance capital expenditures	(9.9)	(6.4)	(14.3)	(9.0)
Distributable cash flow ("DCF")⁽¹⁾	\$ 54.9	\$ 71.8	\$ 108.2	\$ 161.6

Non-GAAP Financial Measures

(1) In this release, the Partnership's EBITDA and DCF references are not presented in accordance with generally accepted accounting principles ("GAAP") and are not intended to be used in lieu of GAAP presentations of net income. Management of the Partnership believes EBITDA and DCF information enhance an investor's understanding of a business' ability to generate cash for payment of distributions and other purposes. In addition, EBITDA is also used as a measure in the Partnership's revolving credit facilities in determining its compliance with certain covenants. However, there may be contractual, legal, economic or other reasons which may prevent the Partnership from satisfying principal and interest obligations with respect to indebtedness and may require the Partnership to allocate funds for other purposes. EBITDA and DCF do not represent and should not be considered an alternative to net income or operating income as determined under United States GAAP and may not be comparable to other similarly titled measures of other businesses.

Non-GAAP Financial Measures

(\$ in millions, unaudited)

Earnings before interest, taxes, depreciation and amortization ("EBITDA")⁽¹⁾	Twelve Months Ended June 30, 2010
Net Income	\$ 196.8
Add: Interest costs and debt expense, net	61.3
Less: Capitalized interest	(3.8)
Add: Depreciation and amortization	53.4
EBITDA	<u>\$ 307.7</u>
 Total Debt as of June 30, 2010	 \$ 1,213
Less: Contango investment under \$395 million revolving credit facility	 (84)
Adjusted Total Debt as of June 30, 2010	<u>\$ 1,129</u>
 Adjusted Debt to EBITDA Ratio	 3.7

Non-GAAP Financial Measures

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2010 Growth Announcements

- Exercise Rights to Acquire Additional Joint Venture Interests—Close within 30 days
 - Joint venture assets great complement to Sunoco Logistics asset base
- Project Mariner with MarkWest
 - Practical solution of transporting ethane from Marcellus Shale to Gulf Coast market
 - Excellent growth potential for fee based income
- Butane Blending Business—Closed July 1
 - Enhances terminal service offerings
 - Tremendous growth potential: actively working to increase installations at key terminals and third-party locations
- Nederland Tank Expansion
 - Two additional tanks to bring capacity to 22 MMB